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Environmental Decision-Making Processes North of 60:

The Beaufort Sea EARP and Lancaster Sound Study

by



Robert M. Lawrie

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH

IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE

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The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies and Research, for acceptance, a thesis entitled Environmental Decision-Making Processes North of 60.

The Beaufort Sea EARP and Lancaster Sound Study submitted by Robert M. Lawrie in partial fulfilment of the requirements for the degree of Master of Arts.

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Date Aug 4, 1983

ABSTRACT

This thesis represents an attempt to analyze the problems latent to the federal government's policy toward environmental decision-making processes being applied in the Canadian North. Through the analysis of two case studies, the author argues the lack of a clear, unambiguous policy framework for environmental decision-making processes creates a number of significant problems for the operation of these processes. Furthermore, due to the nature of the policy process, which is being required to operate in an unstable institutional environment, and the unresolved overarching political issues that industrial activity in the North raises, environmental decision-making processes will continue to operate without clear policy guidance. Finally, the author suggests, as a hypothesis, that the net result of this situation will be the continuing use of reactive, disjointed environmental decision-making processes in the North.

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LIST OF ABBREVIATIONS

BRIA - Baffin Region Inuit Association
BSO - Beaufort Sea Office
BSRC - Beaufort Sea Research Coalition
CARC - Canadian Arctic Resources Committee
COGLA - Canada Oil and Gas Lands Administration
COPE - Committee for the Original Peoples Entitlement
DFO - Department of Fisheries and Oceans
DIAND - Department of Indian Affairs and Northern Development
DOE - Department of Environment/Environment Canada
DOT - Department of Transport/Transport Canada
EAMES - Eastern Arctic Marine Environmental Studies
EARP - Environmental Assessment and Review Process
EIS - Environmental Impact Statement
EMR - Department of Energy, Mines and Resources
FEARO - Federal Environmental Assessment and Review Office
GNWT - Government of the Northwest Territories
ITC - Inuit Tapirisat of Canada
MEMR - Minister for Energy, Mines and Resources
MIAND - Minister for Indian Affairs and Northern Development
MOE - Minister of Environment
NEP - National Energy Program
YTG - Yukon Territorial Government

I. INTRODUCTION

Environmental decision-making and environmental decision-making processes in the Northwest Territories have received a significant amount of study over the last ten years. As industrial activity in the North has increased, the determination and assessment of environmental impacts has emerged as an important factor in shaping industrial activity in the North. This study attempts to add to the existing body of literature through an examination of two recent environmental decision-making processes initiated by the federal government and suggest implications for future environmental decision-making processes from the perspective of a study in public policy.¹

It is important to note at the outset that this study focusses on environmental decision-making *processes*. This is a study *about* environmental decision-making processes not a study in the substance of environmental decision-making. This study will not attempt to evaluate the decisions that emerge from the decision-making processes. The dependent variable that is being examined is the federal government's policy toward environmental decision-making processes not environmental decisions.

A. The Processes In Review

Environmental decision-making processes in the North have varied in their organization, scope, structure and purpose. Basically two types of decision-making processes have been applied in the North; processes that involve extensive public participation and processes almost totally dominated by governmental actors. This study focusses on the former environmental decision-making processes; those which contain substantial public participation. The Mackenzie Valley Pipeline Inquiry is generally viewed as the precedent setting process of this type. Environmental decision-making processes that contain public participation are now regularly employed through one part of the Environmental Assessment and Review Process, (EARP), established by a Cabinet directive in 1973. EARP "embodies Canada's policy on environmental assessment as it relates to the

¹In this thesis the term 'environment' is employed in its broadest sense; comprising physical, biological and social components.

federal government."² It is intended to "ensure that the environmental affects of federal projects, programs and activities are assessed early in their planning, before any commitments or irrevocable decisions are made."³

Basically EARP involves two phases; the initial environmental evaluation and the formal public review. The initial environmental evaluation is an assessment by the relevant governmental agency or department to determine if a formal public review is required. Should it be determined that a formal review is necessary, a panel is established to conduct hearings into the the environmental questions raised by federally sponsored projects, programs or activities.⁴ This part of the process is administered by the Federal Environmental Assessment and Review Office, (FEARO), an agency of the Department of Environment, (DOE).

EARP has not been without its critics.⁵ As presently practiced, criticisms have focussed on the excessive procedural flexibility, uncertainty over the scope of the review, a lack of statutory base to the process, concern over expertise and bias in the composition of the panel, departmental discretion in applying the process and the lack of a monitoring procedure to follow-up the process. For example, EARP has been employed to address 'regional environmental clearance',⁶ 'site specific clearance',⁷ or 'project specific clearance'.⁸ In addition, EARP has expanded from a process that restricted its assessment to impacts on the physical-biological environment to a process that now may

²Federal Environmental Assessment and Review Office, *Revised Guide to Federal Environmental Assessment and Review Process*, (Ottawa: Minister of Supply and Services, 1979), p. 1.

³Ibid, p. 1.

⁴William E. Rees, "Environmental Assessment and Review: The Case of McKinley Bay", *Northern Perspectives*, 8:2(1980), p.2; A.R. Lucas and E.B. Peterson, "Northern Land Use and Policy Development: 1972-1978 and Future", *Northern Transitions*, II, R. Keith and J. Wright eds., (Ottawa: Canadian Arctic Resources Committee, 1978), pp.74-77.

⁵Canadian Arctic Resources Committee, "Submission to the EARP Hearings on Exploratory Drilling by Norlands Petroleum Ltd. in the Lancaster Sound Region", (Ottawa: Canadian Arctic Resources Committee, 1978); D. Paul Emond, *Environmental Assessment Law in Canada*, (Toronto: Emond-Montgomery, 1978); William E. Rees, "EARP at the Crossroads: Environmental Assessment in Canada", *Environmental Impact Assessment Review*, 1:4(December 1980), pp.355-377.

⁶Federal Environmental Assessment Review Office, *Report of the Environmental Assessment Panel: Eastern Arctic Offshore Drilling-South Davis Strait Project*, (Ottawa: FEARO 1978).

⁷There appeared to be confusion over whether EARP as applied in the Lancaster Sound drilling proposal was to be a 'site specific clearance' or 'regional clearance'. See; Margaret Anne Davidson, "Policy and Decision-Making in the North: The Case of Lancaster Sound", unpublished M.A. thesis, School of Community and Regional Planning, University of British Columbia, 1981.

⁸Gurston Dacks, *A Choice of Futures: Politics in the Canadian North*, (Toronto: Methuen 1981), p. 185

include an assessment of the socio-economic impacts of industrial activity in the North.⁹ The Beaufort Sea EARP, which is a subject of this study, continues this tradition in the variety of application of EARP.

Two additional environmental decision-making processes have been attempted in the North. These processes involve attempts at regional planning. "Regional-scale planning ...increasingly involves the socio-economic and environmental implications of alternate patterns of resource and land use."¹⁰ The first attempt at regional planning in the North was the Mackenzie Delta Regional Planning Exercise undertaken in 1975. In addition to the lack of confidence in the process by the impacted communities, "the contingency nature of the plan and its basic assumption that (a) pipeline and related facilities would go ahead undermined the process from the beginning."¹¹ The second tentative attempt at regional-scale planning, the Lancaster Sound Regional Study, will be examined in this thesis.

The second broad categorization of environmental decision-making processes regularly practiced in the North is mainly, although not exclusively, an internal federal government process. Internal environmental decision-making processes have been most often applied to mining activity in the North.¹² However, some important hydrocarbon and hydrocarbon related activity has also been subject to this type of process. Exploration drilling in the Beaufort Sea has been subject to annual reviews by the federal government.¹³ More recently this type of process has been applied with respect to the dredging of McKinley Bay.¹⁴ This type of process is distinguished from the previously discussed process by its lack of direct public participation.

⁹For the Alaska Highway Natural Gas Pipeline, the socio-economic impacts were examined by an independent inquiry chaired by Kenneth Lysyk. The physical and biological impacts were addressed through EARP. The length of time and number of reports issued by the EARP concerned with the Alaska Highway Pipeline provides a good example of the procedural 'flexibility' of EARP. Emond, op. cit., pp.260-264.

¹⁰William E. Rees, "Development and Planning North of 60: Past and Future", *Northern Transitions*, II, op. cit., p.43.

¹¹Ibid., p.54

¹²For example see; Robert Gibson, *The Strathcona Sound Mining Project: A Case Study in Decision-Making*, Science Council of Canada, Background Report #42, (Ottawa: Minister of Supply and Services, 1978).

¹³Department of Indian Affairs and Northern Development, *Review of the 1980 Beaufort Sea Drilling Program*, (Ottawa: Minister of Supply and Services, 1981). See also; Douglas Pimlott, Dougald Brown and Kenneth Sam, *Oil Under The Ice*, (Ottawa: Canadian Arctic Resources Committee, 1976).

¹⁴William E. Rees, "Environmental Assessment and Review: The Case of McKinley Bay", *Northern Perspectives*, 8:2(1980).

The internal federal government environmental decision-making process is also employed through the initial evaluation phase of EARP. "This part of the process refers to the process or procedures by which individual federal agencies examine proposals sponsored by them or their own proposed development projects to determine whether they are likely to have significant environmental consequences."¹⁵ The project is not referred to FEARO for a formal public review if the consequences are deemed not significant.¹⁶

B. The Problem

Despite the lack of consistency in approach to environmental decision-making processes in the North, a number of consistent themes have emerged in the analyses of the processes to date. Two of these themes, or problems, the lack of a clear policy framework and the lack of planning will be investigated with respect to the Beaufort Sea review and the Lancaster Sound green paper exercise. These two themes, or problems, are examined by dividing environmental decisions-making processes into two levels of analysis; the policy dimension and the operational dimension. The policy component includes the policy guidance for the environmental decision-making process. Policies in the areas of energy, northern development, environmental management, land use and/or regional planning and environmental assessment are examples of policies that could give guidance to the environmental decision-making processes. The operational level includes the scope of the process, timing, organization, and participation in the process. This component focusses on the processes in operation.

¹⁵Ibid, p.2. For an analysis of this phase of EARP see: G.J. Hollisko, "The EARP: An Analysis of the Screening Phase", unpublished M.A. thesis, School of Community and Regional Planning, University of British Columbia, 1980.

¹⁶In addition to the processes sketched here environmental issues are often raised at the hearings of the National Energy Board and the Yukon and Northwest Territories Water Boards.

The Policy Framework

The most striking theme that emerges from a review of the policy component of public environmental decision-making processes is the absence of clear, specific policy guidance for the processes. "The 1970's was a decade characterized by a lack of direction, almost a loss of will, for Canadian oil and gas development and regulation in the frontier regions."¹⁷ Policy statements such as *Canada's North: 1970-1980*¹⁸ were too general and ambiguous to provide clear direction for the environmental decision-making processes. This statement clearly establishes the federal government's priorities for the North as social improvement, protection of the environment, the development of renewable resources and support for non-renewable resource projects.¹⁹ While implicitly appreciating the possible conflicts between these priorities, this statement fails to provide a management strategy that could be used to resolve the potential conflicts. No criterion is suggested by which 'balanced' development can proceed.

At a more specific policy level, energy policy, this problem is repeated. Much of the present hydrocarbon activity in the North was in response to *An Energy Strategy for Canada: Policies for Self-Reliance*.²⁰ This statement sets as its target:

To double at a minimum, exploration and development activity in the frontier regions of Canada (the North) over the next three years, under acceptable social and environmental conditions.²¹

This policy statement, known as the 'need to know' policy, goes on to suggest the types of programs that will be employed to increase hydrocarbon activity in the frontier regions, but is silent on outlining 'acceptable' social and environmental conditions.

¹⁷Tom Beck, Director of Environmental and Social Affairs, Petro Canada Ltd., quoted in: *Frontier Oil and Gas Development: The Decade Ahead*, Claudette Reed Upton, ed., Proceedings of the 10th Environmental Workshop, (Calgary: Arctic Institute of North America, 1981), p. 12.

¹⁸*Canada's North: 1970-1980*, Statement of the Government of Canada on Northern Development in the 1970's. Presented to the Standing Committee on Indian Affairs and Northern Development, March 28, 1972, (Ottawa: Information Canada, 1972).

¹⁹*Ibid.*, p. 29.

²⁰Energy, Mines and Resources, *An Energy Strategy for Canada (Summary): Policies for Self-Reliance*, (Ottawa: Minister of Supply and Services, 1976).

²¹*Ibid.*, p. 25.

A third policy area that has affected environmental decision-making processes in the North is the uncertain policy on environmental impact assessment. The present policy allows initiating departments wide discretion in submitting a project to FEARO for a formal public review and has been resisted by some departments.²² The Department of Indian Affairs and Northern Development, (DIAND), it would appear was reluctant to accept the environmental impact assessment process developed by DOE.²³ The Norlands Petroleum Ltd. application to drill in Lancaster Sound illustrates what could only be termed a very flexible policy toward environmental impact assessment. In July 1976, DIAND announced that offshore drilling in Canada's eastern arctic would not be permitted "until a comprehensive environmental review had been conducted." In 1977, DIAND announced an environmental studies program (the EAMES program) as part of this comprehensive environmental review. However, by 1978 Norlands was seeking authority to drill before the completion of the EAMES program and produced a *site* specific impact statement rather than a comprehensive regional impact statement.²⁴ DIAND's referral of this proposal to the public phase of EARP despite the apparent contradiction of previously stated policy indicates a 'flexible' and uncertain approach to environmental impact assessment.²⁵ Furthermore, this uncertain policy toward environmental impact assessment has allowed different government departments, notably Energy, Mines and Resources, (EMR), and DIAND to approach environmental impact assessment differently.²⁶

This lack of a comprehensive and specific policy framework was noted by DOE in the mid 1970's. DOE personnel were concerned that "...in the absence of comprehensive frameworks, day to day operations rather than long-term considerations assume priority."²⁷ For the environmental decision-making processes decisions and

²² Robert F. Keith, David W. Fischer, Colin E. De'Ath, Edward J. Farkas, George R. Francis and Sally C. Lerner, *Northern Development and Technology Assessment Systems*, Science Council of Canada, Background Study #34, January 1976, (Ottawa: Information Canada, 1976), p. 118.

²³ Ibid.

²⁴ A 'comprehensive' environmental review would examine the impacts of the drilling program on the *region*. Norlands, however, partly as a result of confusion between DIAND and the company, produced an EIS that confined itself to the site of the proposed well. Davidson, op. cit., p. 103.

²⁵ Canadian Arctic Resources Committee, op. cit., p. 36.

²⁶ Robert Page, "The High Arctic: Environmental Concerns, Government Controls and Economic Development", *A Century of Canada's Arctic Islands: 1880-1980*, Morris Zaslow ed., Proceedings of the 23rd Symposium of the Royal Society of Canada, (Ottawa: Royal Society of Canada, 1981), p. 239.

²⁷ Keith, et. al., op. cit., p. 70.

recommendations became arbitrary. Questions of 'significant' impacts or 'acceptable' social and environmental conditions were decided on a project by project basis, determined by a variety of actors and through a variety of processes.

The second result of this ambiguous policy framework was the assumption of a policy-setting role by the environmental decision-making processes. This concept, which is employed throughout this study, refers to the development of policy through the implications of an actor's or set of actors' decisions or non-decisions. In contrast, policy-making involves the explicit decisions or non-decisions of the authoritative policy actor. The environmental decision-making processes made decisions and recommendations to the federal government which were then used as a justification to proceed with a project without prior attention being *openly* paid to the question of the need for a project and/or its relation to government policy.

The lack of consistently applied, explicit policy puts 'added pressure on environmental decision-making processes with a public participation component. The process must cut across the jurisdictional lines of the various government departments in its operation without appearing to undercut departmental mandates. Underlying this issue is the administrative survival of EARP. Since there is no statutory basis for EARP, the process could fall into disuse should a departmental revolt occur that was not contained by the political leadership. The inherent flexibility in the process, that partially results from the lack of statutory base, could constrain the application and operation of public environmental decision-making processes depending on the bureaucratic politics of the day.

The lack of a clear policy framework within which environmental decision-making processes, and specifically EARP, operate, increases the politicization of what are already highly politicized decision-making processes. Environmental decision-making processes involve questions not only of fact but of value. Trade-offs between economic activity and environmental protection must be addressed. Environmental decision-making, then, can be a highly politicized process; especially when deeply held values come into conflict. Because a clear, comprehensive policy framework for environmental decision-making has not yet been established, the possibility of conflict over values is greatly increased.

The Absence of Planning

At the operational level, the public environmental decision-making processes have suffered from a number of problems. For the most part, the environmental decision-making processes in the North have been premised in environmental 'assessment' of proposed industrial activity rather than environmental 'planning' for industrial activity. The assessment approach is in *response* to a proposal or action. Typically, this approach is premised on the examination of a proposal which is not expected to change appreciably during implementation. The assessment of the proposal is an attempt to ascertain how the proposal fits the criteria that have been previously established through the planning process. The approach attempts to 'assess' the design plans of a proposal against the environmental issues in a region or area.

A 'planning' approach to environmental decision-making processes is in *anticipation* of a proposal or action. Basically planning operationalizes the criteria set out in the policy framework for a particular region or area. Subsequently, a proposal or action is assessed against the criteria specified through the planning approach.²⁸

The dominance of the assessment approach over the planning approach is reflected in EARP which is designed as an assessment process. Without a planning framework established prior to assessment, EARP lacks the context necessary to guide its recommendations. The problems presented by the lack of a planning framework were encountered by the EARP review of the Norlands Petroleum Ltd. application to drill in Lancaster Sound and the Norman Wells pipeline proposal.²⁹

Related to the absence of a planning approach to the environmental decision-making process is the scope of the present processes. With the exception of the Mackenzie Valley Pipeline Inquiry, environmental decision-making in the North has traditionally been project or site specific. In short, the geographical focus of the processes has been excessively narrow.³⁰ Consequently, the full scope of development

²⁸These two approaches are discussed in greater depth in M. Hollick, "Environmental Assessment as a Planning Tool", *Journal of Environmental Management*, 12:1(1981), pp.79-90.

²⁹Federal Environmental Assessment Review Office, *Report of the Environmental Assessment Panel: Lancaster Sound Drilling*, (Ottawa: Federal Environmental Assessment Review Office, 1979), p.73; Federal Environmental Assessment Review Office, *Norman Wells Oilfield Development and Pipeline Project: Report of the Environmental Assessment Panel*, (Ottawa: Minister of Supply and Services, 1981), p.64.

³⁰D.J. Gamble, "Destruction By Insignificant Increments", *Northern Perspectives*, 7:6(1979).

for a region remains unclear with cumulative and synergistic impacts of industrial activity often insufficiently addressed. Commenting on the Norman Wells oilfield development and pipeline proposal, DOE stated:

The present proposal is only the most recent in a series of transportation proposals for the Mackenzie Valley, and more can be expected. It cannot, therefore, be viewed in isolation. Without coordination through land-use planning each new initiative will compete for space and local resources.³¹

The absence of proactive or planning processes and the typically narrow scope of the processes being presently applied, combined with an uncertain policy framework has resulted in environmental decision-making processes being applied in a disjointed, fragmented fashion.

Secondary Problems

In addition to the previously mentioned major problems, there are a number of secondary problems which flow, in part, from these major problems. From the perspective of industry, an ongoing complaint has been the length of time of the processes. Unforeseen delays can add substantial cost to proposals in the North. The timeframe of the overall process is not usually explicitly stated. Certain components of EARP, such as the public review phase of the Environmental Impact Statement, (EIS), prior to the hearings have a specified timeframe but the overall timing of the process is unclear. Although a flexible timeframe is necessary when so much pertinent information is unavailable or not fully understood, the average public hearing under EARP has taken twenty-one months, which, it has been argued, is excessive.³²

The overall uncertainty of the timing of the process can create credibility problems for the process. Should the participating public see the process as hurried or the

³¹Quoted in: R.J.D. Page, "Norman Wells: The Past and Future Boom", *Journal of Canadian Studies*, 16:2(Summer 1981), p.29. See also: Canadian Arctic Resources Committee, op. cit., p.24.

³²C. Hunt and A.R. Lucas, *Environmental Regulation: Its Impact on Major Oil and Gas Projects: Oil Sands and Arctic*, (Calgary: Canadian Institute for Resources Law, 1980). pp.40-43.

assessment of relevant issues as too restrictive, alienation of the attentive public could result. This would limit the achievement of one of the processes' major aims; the increased role for the public in the governmental decision-making process. The review of Norlands' proposal to drill in Lancaster Sound appeared to suffer from this problem.³³

For public participation to occur and be effective, the public must possess the resources for effective participation. Chief among these resources for effective participation is funding. The environmental decision-making process in the North, as represented by EARP, has not provided funding for public participation in the past. Consistent calls for funding for the public have been voiced both during and outside the processes.³⁴ This lack of funding for the public and in particular interest groups caused the withdrawal of a number of important interest groups from participation in the Norman Wells EARP hearings.³⁵

Finally, the adequacy of the 'technical' review has been questioned. The technical review component refers to the analysis of the scientific data that is presented in the process. Questions raised concerning the technical review are, in part, a necessary result of the relatively recent development of environmental impact assessment. "Environmental Impact Assessment is still an adolescent science which is groping its way toward adequate theory and methodology."³⁶ The technical review capability of the process depends on three factors; the expertise of the panel and its support staff, the expertise of the participants, and the quality of the information submitted in the review. On all counts EARP has received criticism. First, it has been suggested the lack of an independent research staff limits the ability of the panel to perform an adequate technical assessment.³⁷ Second, participation of interest groups with scientific expertise has declined as a result of the funding issue.

³³Peter Harvison, "Lancaster Sound: Confusion and Confrontation", *Nature Canada*, 8:2(April/June 1979).

³⁴Federal Environmental Assessment Review Office, *Report of the Environmental Assessment Panel: Lancaster Sound Drilling*, p.80; *Report of the Environmental Assessment Panel: Eastern Arctic Offshore Drilling-South Davis Strait Project*, p.44.

³⁵Federal Environmental Assessment Review Office, *Norman Wells Oilfield Development and Pipeline Project: Report of the Environmental Assessment Panel*, p.91. Noticeably absent from the list of participants are; CARC, Canadian Nature Federation, and the Yukon Conservation Society.

³⁶Robert Page, "The High Arctic: Environmental Concerns, Government Control and Economic Development", p.243.

³⁷Robert Page, "Norman Wells: The Past and Future Boom", p.32.

Third, information provided in the EIS is crucial to the technical review. The question of what should or should not be included in an EIS has never been fully resolved.³⁸ One way industry has avoided dealing with this problem and reduced the uncertainty inherent to the process, has been to 'dump' information into the EIS. The object of this exercise is to overpower the process with information that may or may not be relevant for the process.³⁹

C. Theoretical Considerations

Having outlined the problems inherent to environmental decision-making processes it is necessary to sketch the theoretical approach employed to investigate these problems in relation to the Beaufort Sea EARP and the Lancaster Sound Regional Study. A variety of theoretical approaches have been employed in the study of public policy. Public administration theories, decision-making theories, policy analysis and policy-making theories are but four examples of theoretical approaches which are often grouped under the rubric of public policy theory.⁴⁰ These approaches reflect a debate among political scientists over two important aspects of public policy; what should a study in public policy be about and what variables are most helpful when attempting an explanation.⁴¹ A clear conceptualization of the former question is necessary before the later question can be addressed.

In this study, the environmental decision-making processes are approached as an exercise in 'policy theory'. The basic question posed by this approach asks: Why are certain policies pursued or adopted over alternatives?⁴² For the topic under investigation in this study, the essential question to be addressed is what are the characteristics of the environmental decision-making processes and why are these processes employed? It

³⁸Hunt and Lucas, op. cit., p.34. Concern over the quality of the EIS and the panel's ability to control it was expressed to the author by senior FEARO staff. Private Communication.

³⁹Liora Salter and Debra Slavo, *Public Inquiries in Canada*, (Ottawa: Science Council of Canada, 1981), p.163.

⁴⁰For a review of the literature on the theoretical approaches that have been developed in the study of public policy, see: Peter Aucoin, "Theory and Research in the Study of Policy-Making in Canada", *The Structures of Policy-Making in Canada*, P. Aucoin and G.B. Doern eds., (Toronto: Macmillan, 1971), pp.10-38; Richard Simeon, "Studying Public Policy", *Canadian Journal Political Science*, IX:4(December 1976), pp.548-580.

⁴¹Aucion op. cit., p.33.

⁴²Simeon op. cit., p.550.

should be noted at this point that the public policy under examination here is a *process* policy.

In addition to the 'policy theory' approach to the study of public policy there are two other conceptual approaches; policy-making and policy analysis. The policy-making approach attempts to develop theories that would lead to 'better' policy choices. The goal of this approach is the construction of models that will lead to the development of optimum policy.⁴³ Although usually prescriptive, work in this field has revealed much about the behavior of the 'proximate decision-makers'. Consequently, some of this literature can be employed in a study based on policy theory.

Many previous analyses of environmental decision-making processes have adopted this approach by attempting to evaluate the process. This type of analysis normally raises wide-ranging normative questions which are often only superficially discussed. In addition, prescription usually proceeds from this type of analysis; however, a study in political science must initially concentrate on explanation.⁴⁴

Second, there is the 'policy analysis' approach. This approach seeks to analyze the effects of policy on society. Policy, here, is often treated as an independent variable rather than a dependent variable. Thus, it is the consequences of policy for society in general that are examined.⁴⁵

Beyond these conceptual distinctions, there are theories of decision-making and public administration. Both of these areas of study have also made a contribution to the study of public policy. Writers such as March and Simon, Lindblom, and Etzioni have proposed models of decision-making.⁴⁶ However, decision-making theories are of limited value in explaining public policy. For example, decisions may result in policy but policy is more often the result of a group of decisions or non-decisions.

Public administration theories have also been employed in the study of public policy. Such theories are useful as they suggest how the bureaucracy of modern government behaves. Bureaucrats and the dynamics of the bureaucratic process are

⁴³For example see; Yehzekiel Dror, *Public Policy Re-examined*, (San Francisco: Chandler, 1968). For a critique of this approach see; Simeon, op. cit., p.554.

⁴⁴Simeon, op. cit., p.554.

⁴⁵It should be noted the labels in this study do not necessarily reflect the labels generally used in the literature on public policy.

⁴⁶For a review see; Theodore Lowi, "Decision Making vs. Policy Making: Towards and Antidote for Technocracy", *Public Administration Review*, 30:3(May/June 1970), pp.314-325.

obviously important in studying public policy. However, "much of this literature in bureaucracy is concerned with questions of efficiency and effectiveness...."⁴⁷ Such questions are of only limited value in the study of public policy. Furthermore, governmental actors are not the only actors that can have a significant influence on the formulation of public policy. The effect of nongovernmental actors on public policy has also received attention.⁴⁸

The 'policy theory' approach employed in this study is adopted for three reasons. First, it is asserted that an essential element in understanding any decision-making process is understanding the principles and rules that govern the process.⁴⁹ Thus, a broad approach to the study of environmental decision-making processes is required. The policy theory approach draws, in part, on all of the theoretical and conceptual approaches previously outlined. It involves the broadest perspective on a very broad subject area. As its starting point, this approach argues: "Policy emerges from the play of economic, social and political forces, as manifested through institutions and processes."⁵⁰

Second, as stated previously, the 'policy-making' approach and to a lesser extent the 'policy analysis' approach, are often prescriptive. As suggested previously, "(p)rescription...is to a large extent made possible only by explanation; (without explanation) the danger is ...we are being asked to run before we walk...."⁵¹ As the 'policy theory' approach is premised on explanation, this approach is adopted over 'policy-making' or 'policy analysis'.

Third, the latter two approaches have been rejected for a practical consideration. Both environmental decision-making processes under examination here have not yet been completed. As the 'policy-making' and 'policy analysis' approaches are more likely to require a final evaluation, both approaches would be premature at this time. The 'policy theory' approach does not suffer to the same extent from this problem because its focus is on principles and rules that govern the process, most of which are established at its commencement.

⁴⁷Simeon, op. cit., p.549.

⁴⁸Mark Nadel, "The Hidden Dimension of Public Policy: Private Governments and the Policy-Making Process", *Journal of Politics*, 37(Feb. 1975), pp.2-34.

⁴⁹Walter Rosenbaum, *The Politics of Environmental Concern*, 2nd ed., (New York: Praeger, 1977), p.94.

⁵⁰Simeon, op. cit., p.550.

⁵¹Ibid., p.554.

Theoretical Framework

Theory can be employed in two ways when embarking on a study in public policy. First, a study can be employed to either test a theoretical framework previously developed or develop an explicit theoretical framework. Second, a theoretical framework can be used as a guide in examining a particular problem or phenomenon. It is this latter, heuristic approach, that is adopted in this study. This use of theory follows from the "belief that the explanation of political behavior, rather than the validation of a given theoretical approach, should be the main purpose of political inquiry and analysis."⁵²

In attempting to choose a particular framework as a guide to the analysis a number of problems are encountered. Simeon has clearly stated these problems:

The student of (public policy) looking for a conceptual framework faces a difficult dilemma. He wants a neat, simple framework which highlights a few critical factors but at the same time he does not want to sacrifice the richness and complexity of the data to a set of *a priori* categories.⁵³

The framework employed in this study is adapted from the frameworks proposed by Richard Simeon⁵⁴ and Joyce Munns.⁵⁵ The framework presented here is a simplification and aggregation of the frameworks presented by these two authors. For my purposes, the framework comprises three broad categories of analysis; the policy context, institutions, and policy processes. Determining the independent contribution of each category to the explanation of the federal government's policy towards environmental decision-making processes is exceedingly difficult. Although conceptually distinct, each category has an effect on the other two as well as affecting public policy. The framework, then, is highly interactive.

⁵²James Anderson, *Public Policy-Making*, (New York: Praeger, 1975), p.25.

⁵³Richard Simeon, *Federal-Provincial Diplomacy: The Making of Recent Policy in Canada*, (Toronto: University of Toronto Press, 1972), p. 11.

⁵⁴Richard Simeon, "Studying Public Policy", pp.566-580.

⁵⁵Joyce Munns, "The Environment, Politics and Policy Literature: A Critique and Reformulation", *Western Political Quarterly*, 28:4(Dec. 1975), pp.662-667.

The Policy Context

The policy context is the broadest category of variables that affects public policy. For Simeon, this category represents "characteristics of the broad social and economic environment, the system of power and influence, (and) the dominant ideas and values in society..."⁵⁶ Most often, this category is referred to as the 'environment' in policy literature but in order to avoid confusion with the topic being addressed in this study, 'the policy context' will be employed. Much of the literature on public policy argues this category or one aspect of it is the most important variable for understanding public policy.⁵⁷

Munns adds yet another significant element to this already broad category; the 'policy environment'. For Munns, in addition to the elements previously suggested by Simeon, the policy context should also examine "the cumulation over time of policies which condition and constrain new policy-making."⁵⁸ Certain policies concerning broad issues which may be associated with the policy issue at hand play a role in explaining how and why certain policies were chosen.

The policy context provides the frame of reference for governance. "It both defines a set of problems which need to be dealt with and places limits on resources ... available for dealing with them."⁵⁹ In itself the policy context has limited explanatory value for specific policies. Although the policy context can define which problems are important it does not indicate how these problems will be perceived by the policy makers nor the policy response to the problem. Furthermore, because the category is so broad, it probably has limited value explaining relatively specific and narrow policies which only change incrementally. The policy context is the initial limiting factor on policy choices for the policy-makers.

Obviously such a broad, almost boundless, category presents the researcher with problems in operationalizing the category. What aspects of the policy context are relevant? Much of the criticism directed at the literature that employs this category has been the result of problems in operationalizing the category.⁶⁰

⁵⁶Simeon, op. cit., p.555.

⁵⁷Anthony King, "Ideas, Institutions and Policies of Government, III", *British Journal of Political Science*, 3:4(Oct. 1973), pp.409-423; Thomas Dye, *Politics, Economics and the Public: Policy Outcomes in the American States*, (Chicago: Rand McNally, 1966).

⁵⁸Munns, op. cit., p.665; Simeon also briefly suggests this element, see; Simeon, op. cit., p.556.

⁵⁹Simeon, op. cit., p.567.

⁶⁰Munns, op. cit., pp.646-662; Heinz Eulau and Kenneth Prewitt, *Labyrinths of Democracy*:

It is in this area that the researcher must make some judgements and arbitrary choices. Not all of the elements in any of the categories could reasonably be covered.

The (policy context) is never caught in its wholeness. It is decomposed by the participant or by the observer, and certain parts that stand in meaningful relationship to each other are said to be in each other's (policy context).⁶¹

Four broad policy areas would appear to have a possible influence in shaping environmental decision-making process that are under examination here: energy policy, northern development policy, environmental policy and economic policy. For example, Canada's energy situation and the federal government's response to this situation have resulted in the pursuit of northern hydrocarbon resources. In addition, industrial activity in the North may be seen as the engine for economic growth for Canada. Consequently, an underlying premise of the environmental decision-making process in the North may be an increase in hydrocarbon related activity. The processes, then, may not reflect the 'go/no go' option. At a more specific level, the type of hydrocarbon activity being considered may play a role in the environmental decision-making process. Exploration activity as opposed to production activity could effect changes in the processes.

In order to address some of these issues, the broad patterns of public policy in these areas will be examined. Examining Canada's energy policy and policy on environmental impact assessment may indicate some of the limitations for the operation of the environmental decision-making processes. This approach extends from the conceptual distinction made previously between the policy dimension of the environmental decision-making processes and the operational dimension. The policy dimension refers to the broad areas of public policy which provide guidance for the environmental decision-making process. While organizing and simplifying the following discussion, this approach also reflects Munns' argument that the policy context should include an examination of the 'cumulation over time of policies which condition and constrain new (and associated) policy-making.'

⁶⁰(cont'd) *Adaptations, Linkages, Representation and Policies in Urban Politics*, (Indianapolis: Bobbs-Merrill, 1973), p.486.

⁶¹Eulau and Prewitt, op. cit., p.66.

Underlying these broad policy areas for the North is the political relationship between the North and southern Canada. Issues such as political devolution, land claims, and resource revenue sharing are firmly on the political agenda in the North and involve fundamental questions about the 'broad social and economic environment, the system of power and influence, and the dominant ideas and values in society'. Although not discussed extensively, a basic premise of this thesis is that these overarching unresolved political issues present problems for policy-making in general in the North and environmental decision-making processes specifically.

It is important to re-emphasize that the policy context only provides a context for broad, general policies. Its explanatory value is limited, especially when relatively specific, detailed policy such as environmental decision-making processes is being examined.

Institutions

The second category involves an analysis of the institutional relationships and their effect on environmental decision-making processes. "An institutional arrangement is defined as an interrelated set of entities and rules that serve to organize society's activities so as to achieve social goals."⁶² Institutions are more than organizations: institutions involve rules of the political system as well.

At a very general level, questions of federalism, centralization, regionalism, and separation of powers have an impact on policy. More specific policy might be partly explained by bureaucratic fragmentation and the relationships between governmental actors and nongovernmental actors. Institutions can structure policy debate and political competition in certain ways so as to make some policy decisions or non-decisions easier than others.

The independent contribution of institutional factors is difficult to determine. Institutions are both the result of broader political factors as well as contributors to broader political factors. It is important, when discussing institutions, to relate the impact of institutions on policy and the impact of policy or broader political factors on institutions. "Hence, institutions are both dependent variables, reflecting earlier decisions,

⁶²I.K. Fox, "Institutions for Water Management", *Natural Resources Journal*, 16:4(1976), p.743.

and independent factors, conditioning the future play of political forces."⁶³

The institutional impact on environmental decision-making processes for the policy dimension will be examined by discussing the relationships between the various governmental agencies and their respective mandates as well as the relationships between nongovernmental actors and governmental agencies. How are these interests organized to provide guidance for the operation of environmental decision-making processes? For example, the relationship between the Government of the Northwest Territories, (GNWT), and the federal government may have an impact at the policy level. At the operational level, the role of interest groups, industry, and the relevant governmental actors must be examined. The institutional arrangements among these interests could have an effect on the operation of the environmental decision-making processes.

While the institutional category will focus on organizations, it is necessary to look behind the organizational structure of the policy process and discover the rules and arrangements which shape the operation of the organizations. This discussion is broader than public administration. The determination of the level of effectiveness and efficiency in the present institutional arrangement is secondary to the explanation of the institutional arrangement and its impact on environmental decision-making processes.

The Policy Process

Much of the literature in the field of public policy focusses on the processes of policy-making.⁶⁴ The policy-making processes "detach the activity from the context of which it is part."⁶⁵ In focussing on the proximate policy-makers, this category examines "their perceptions of the (problems of the policy context), their goals, and the positions they take on the problems."⁶⁶ According to Simeon, the policy process makes two contributions to understanding public policy.⁶⁷ First, the process sets in motion the interplay between forces of the policy context and institutional factors. The process, then, is responsible for defining the inputs of the political system for the policy-makers.

⁶³Simeon, *op. cit.*, p.575.

⁶⁴For a review see; Aucoin, *op. cit.*, pp.12-28.

⁶⁵Nevil Johnson, "The Place of Institutions in the Study of Politics", *Political Studies*, 23:2-3(1975), p.158.

⁶⁶Munns, *op. cit.*, p.665.

⁶⁷Simeon, *op. cit.*, p.576.

Second, the process brings to bear on the formulation of policy, the behavior of the proximate policy-makers. This element can provide clues to what may appear to be the non-rational aspects of policy formulation. "Because policy-making depends on the policy-maker's goals and perceptions as well as upon the (policy context) pressures, policy may at times conflict with objective (policy context) pressures."⁶¹

Government is not composed of a unitary set of interests. Within government itself, a wide variety of interests and goals come together in the policy process. In order to understand policy it is necessary to investigate the interests, values and goals of the proximate policy-makers. A shift in government policy could result despite a constant policy context and institutional arrangement. Such a shift is probably best explained through an examination of the policy-making process.

Similar to the previous two categories of analysis, the policy context and institutions, it is difficult to operationalize a comprehensive examination of the policy-making process. Penetrating the bureaucratic world can be a daunting task. Even the participants in the policy-making process often do not fully comprehend what is happening with respect to a policy issue. Consequently, examining the process in a relatively restricted timeframe can only produce tentative conclusions.

In keeping with the two levels of analysis that have been used previously, the policy level and the operational level, the policy process will be examined to see how it affects both levels of analysis. How are the perceptions and goals of the proximate policy-makers reflected in the policy guidance that is provided to environmental decision-making processes? What goals and perceptions are apparent in the operation of the environmental decision-making processes? Finally, what explains these perceptions and goals? For example, are institutional factors the cause of perceptions or does personal self-interest or the need for bureaucratic expansion dominate the behavior of the proximate policy-makers? Do policy-makers lack the resources necessary to develop policy and procedures for environmental decision-making processes? A wide range of questions can be asked regarding the role of proximate policy-makers. The questions listed here are suggestions of the direction the analysis will take.

⁶¹Munns, op. cit, p.665.

D. Conclusion

The methodology employed in this study is similar to some previous studies of environmental decision-making in the North. However, no attempt has been made to duplicate a particular previous approach. The cases in this study are employed to allow the development of some tentative generalizations concerning environmental decision-making processes in the North, rather than to prove or disprove the propositions of a particular theoretical model. This approach follows Anderson's argument: "A good rule is to be eclectic and flexible and use theories as organizing concepts that seem most useful for the satisfactory analysis and explanation of a particular public policy or political action."⁶⁹

Two major problems have been identified affecting the federal government's approach to environmental decision-making processes prior to the Beaufort Sea EARP and the Lancaster Sound Regional Study: the absence of a clear and specific policy framework and the use of environmental decision-making processes that are structured as excessively narrow, reactive processes. Both of these problems involve questions of approach to environmental decision-making processes not questions in environmental decision-making, although the two are inexorably related. In addition, there are a number of secondary problems which partly stem from the major problems: an uncertain timeframe, participation by the attentive public and the 'technical' review capability of the processes.

The questions to be answered in this study fall along three lines. To what degree do the cases under examination here reflect these problems? How have they attempted to deal with them? Why do some of the problems remain while others are dealt with? It is argued the lack of a clear, unambiguous policy framework imposes significant problems on the operational dimension of environmental decision-making processes. These problems, in turn, serve to undermine environmental decision-making processes that are either structured as planning processes or contain a substantial proactive dimension. Without a more explicit policy framework, proactive environmental decision-making processes will be severely handicapped at the operational level.

Chapter II proceeds with a description of the two case studies and highlights the important aspects of each case. Chapter III examines the framework of public policies that

⁶⁹Anderson, op. cit., p.25

the environmental decision-making processes must operate within and suggests some of the problems this framework creates for environmental decision-making processes. Chapter IV looks at the roles played by the various governmental actors, both within the policy process that impacts on environmental decision-making processes and in the actual environmental decision-making processes. Chapter V investigates the successes and failures of the various nongovernmental actors such as industry, interest groups and the attentive public in trying to influence both the policy dimension and operational dimension of environmental decision-making processes. Finally, Chapter VI concludes with a summary of the findings and suggests the implications of these findings for future environmental decision-making processes.

II. THE CASE STUDIES

In order to focus this study two cases have been selected for analysis; the Beaufort Sea review, which is being conducted under EARP and the Lancaster Sound Regional Study, hereinafter referred to as the green paper exercise. These cases represent two of the most recent efforts of the federal government toward environmental decision-making processes which contain significant public participation. Furthermore, these cases are interesting as they represent an attempt to incorporate some unique initiatives in the federal government's approach to environmental decision-making processes. There appears to be a departure from the narrowly focussed, reactive approach to environmental decision-making processes in the North. The examination of two case studies should not be construed as a direct attempt towards comparison. This study employs two case studies as parallel examples of environmental decision-making processes to provide a broader information base for analyzing this aspect of public policy.

A. The Case Study Approach

The case study approach to the analysis of public policy has come under substantial criticism. It is suggested case studies are of only limited usefulness because they tend to be isolated and unique. With few follow-up studies being undertaken, the literature becomes non-cumulative and overall theoretical knowledge remains underdeveloped. Furthermore case studies, in focussing on detail which may be interesting in itself, fail to propose broader generalizations that could be examined in future research.⁷⁰

Nevertheless, a case study approach has been used in the following analysis. In employing two case studies there is no attempt to test a particular theoretical model or propose a new theoretical model. Instead, the use of case studies in this study is premised on using the detail of the cases to propose generalizations and therefore add to the body of literature in this subject area with the hope that theoretical models will be developed

⁷⁰R. Simeon, "Studying Public Policy", *Canadian Journal of Political Science*, IX:4(1976), p.551.

and tested in the future. Put simply, the goal of this approach is to not "get submerged in the minutiae of the issue" but rather to use the detail of "the policy to generalize about politics."⁷¹

B. The Beaufort Sea Review

Offshore drilling in the Beaufort region commenced in 1972 in shallow water and by 1976 drilling had been extended to the deeper continental shelf waters. Two methods of exploratory drilling have been undertaken in this area; drilling from man-made islands and drilling from drillships. The environmental considerations of this drilling activity have been the subject of annual reviews by the federal government.⁷² However, because of the increasing pace and scale of activity in the Beaufort region, pressure was being applied on the federal government, mostly by interest groups, for a comprehensive environmental review of the hydrocarbon activity in the region.⁷³ The concern over the environmental implications of Beaufort Sea hydrocarbon activity reached a peak in 1979 with a proposal to dredge Mckinley Bay. The local communities, some government authorities and interest groups all recommended a referral of Beaufort Sea hydrocarbon activity to FEARO for a public review at this time.⁷⁴ Thus, pressure for an environmental review and public concern over the hydrocarbon activity in the Beaufort Sea region had been steadily building since the commencement of offshore drilling in the Beaufort region.

In 1979, Dome Petroleum Ltd. discovered oil in the Beaufort Sea.⁷⁵ As a result of this discovery, Dome concluded that commercial production from the Beaufort was a possibility beginning in 1985. It should be noted that, to date, a commercial⁷⁶ reserve in the Beaufort Sea has still not been discovered although exploratory drilling results continue to be encouraging. The Beaufort Sea review, which was originally charged with examining

⁷¹Simeon, op. cit., p.551.

⁷²Department of Indian Affairs and Northern Development, *Review of the 1980 Beaufort Sea Drilling Program*, (Ottawa: Minister of Indian Affairs and Northern Development, 1981).

⁷³*Northern Perspectives*, 7:6(1979), p.12; Government of Canada, Senate, *Special Committee of the Senate on the Northern Pipeline: Offshore Transportation Study*, No.19, Testimony of Murray Coolican, March 16, 1982, p.6.

⁷⁴William E. Rees, "Environmental Assessment and Review: the Case of Mckinley Bay", *Northern Perspectives*, 8:2(1980), p.6.

⁷⁵"Black Gold: The Beaufort Sea Oil Rush", *Northern Perspectives*, 8:6(1980), p.1.

⁷⁶A 'commercial' reserve is a reserve of sufficient quantity and quality to make development of the reserve economically feasible.

the proposal to 'develop' the hydrocarbon resources of the Beaufort Sea, is in *anticipation* of the discovery of a commercial reserve. At this point then, the Beaufort Sea review is a 'conceptual' review. This EARP is not examining a specific project with a final or near final design proposal but a concept for the development of hydrocarbon resources in the Beaufort Sea region. This is a dramatic departure for EARP as it has been applied in the North.

Referral

Pressure for an environmental review of the Beaufort Sea hydrocarbon activity culminated in July 1980, when DIAND referred a Dome proposal for production in the Beaufort Sea to FEARO for a formal public review. In addition to Dome's production scenario, FEARO was requested to examine possible production from other areas in the Beaufort Sea and Mackenzie Delta region. The environmental decision-making process, then, would include the production and transportation plans of the other major operators in the region; Esso Resources Ltd. and Gulf Canada Resources Inc.⁷⁷ The letter of referral directed FEARO to disregard exploration activity in the Beaufort as this was already subject to government review mechanisms.⁷⁸ In addition to the anticipatory nature of the process, the referral also requested a broad regional environmental overview.

After the initial referral, an extensive period of public consultation occurred which was intended to inform potential participants about the process and inform government, specifically FEARO, about the issues the review should consider. This initial consultative period occurred between September and November 1980 and culminated with an information seminar organized by FEARO and held at Calgary on November 13, 1980. Prior to this seminar, in September and October, FEARO had canvassed the proponents (Dome, Esso and Gulf), environmental interest groups, and native groups and agencies of the territorial and federal governments concerning the issues Beaufort Sea hydrocarbon development presented. A compendium of issues raised during this period was released before the information seminar. The information seminar was attended by 136 people

⁷⁷There are actually many more companies operating in the Beaufort region. Dome, Esso and Gulf are the most significant operators and it is their decisions that will bear most directly on the timing and scale of hydrocarbon activity in the region.

⁷⁸Letter John C. Munro, MIAND to John Roberts, MOE, July 22, 1980.

representing government, industry, interest groups and local communities.⁷⁹

Between January 27, 1981 and May 8, 1981 the members for the environmental assessment panel were selected. This panel is the first EARP panel composed entirely of non-government personnel. Furthermore, four of the seven panel members are residents of the North. The panel is chaired by Dr. John Tener, a former civil servant with the federal government, (See Appendix 3). It is noteworthy that the panel was formed *after* the initial consultative process and therefore did not directly benefit from this process. The 'scientific' expertise of the panel is represented by the three members from southern Canada; Dr. John Tener (arctic wildlife expert), Douglas Craig (engineer) and Dr. Ross Mackay (geographer).⁸⁰

The Process Begins

On June 12, 1981 the panel released a draft version of the guidelines for the preparation of the Environmental Impact Statement (EIS) by the proponents. Typically, the focus of an EARP is an assessment of the EIS, which is intended to summarize all significant environmental effects of the proposal and is usually prepared by the proponents. In releasing a draft version of the guidelines the panel was attempting to stimulate public discussion over the proposal and seek advice from the attentive public on the specific issues that the panel should address. The draft version of the guidelines was intended to be the focus of the guideline hearings to be held in the fall of 1981. This was the first time draft guidelines had been released for public review by an EARP panel reviewing a northern industrial proposal. Between the release of the draft guidelines and the commencement of the guideline hearings in November 1981, the panel received written submissions commenting on the adequacy of the guidelines.

At approximately the same time as the release of the draft guidelines, the proponents released a document describing their proposal for hydrocarbon development in the Beaufort Sea region.⁸¹

⁷⁹FEARO, *Beaufort Sea/Mackenzie Delta Development Plan*, FEARO seminar, November 13, 1980, mimeo.

⁸⁰FEARO, *Beaufort Sea Hydrocarbon Production Proposal: Interim Report of the Environmental Assessment Panel*, (Ottawa: Minister of Supply and Services, 1982), Annex 1.

⁸¹Dome Petroleum Ltd., Esso Resources Canada Ltd. and Gulf Canada Resources Inc.,

Also at the same time the terms of reference for the panel were issued and made public in a letter from John Roberts, Minister of Environment (MOE), to Dr. John Tener. During the period between the release of the draft guidelines, the terms of reference, the proponents proposal and the guideline hearings, the panel and its secretariat, (provided by FEARO staff), visited communities in the North in order to develop a list of communities to be included in the guideline hearings.

Three months prior to the first hearings on the guidelines, FEARO announced a funding program for public intervenors in the process. Although this program is discussed in greater depth in Chapter 5, a number of significant points should be made here. Funding for public interventions in environmental decision-making processes has been a long-standing issue in these processes.³² During the initial consultative period previously discussed, a number of groups had requested funding to facilitate their participation in the Beaufort Sea review.³³ The timing of the funding announcement is notable. The announcement came over one year after the referral and nine months after direct pressure had been brought to bear on the federal government. The specific allocations of funds granted to the various groups was announced on September 25, 1981, just over one month prior to the commencement of the guideline hearings.³⁴ As a result, the late provision of funds impaired the response of public intervenors to the draft guidelines. Despite one year of public consultation, the federal government was unable or unwilling to respond in a timely fashion to requests for funding for public participation.

Guideline Hearings

On November 4, 1981 the hearings on the draft guidelines were commenced at Aklavik. Hearings took place between November 4 and December 6 in ten communities across the North, as well as Calgary. Two types of hearings were employed by the panel:

³²(cont'd) "Hydrocarbon Development in the Beaufort Sea-Mackenzie Delta Region", June 1981.

³³Raj Anand and Ian G. Scott, Q.C., "Funding Public Participation in Environmental Decision-Making", *Canadian Bar Review*, 60:1 (March, 1982), pp.81-120.

³⁴Katherine A. Graham, Eric G. Moore, M.P. Sharon Brown, and Allan J.C. King, "An Evaluation of Funding Public Participation in the Beaufort Sea Environmental Assessment Panel Review", Prepared under contract to the Federal Environmental Assessment and Review Office, by the Institute of Local Government and the Social Program Evaluation Group, Queen's University, June 1982, pp.9-12.

³⁴Ibid., p.18.

community sessions and general sessions. The community sessions were designed to "encourage direct contact between the Panel and community members and representatives."¹⁵ General sessions were more formal hearings which allowed any interested member of the public to make a presentation to the panel. Typically these sessions were dominated by government departments, interest groups and industry.

The guideline hearings were held for two purposes. First, they were intended to foster public awareness of the proposal and the panel and its activities.¹⁶ It was hoped from this awareness the attentive public and community groups would be better prepared to participate in the final hearings which were to review the EIS. Second, as implied in their title, the guideline hearings were held to improve the guidelines for the preparation of the EIS.¹⁷ Thus, the proponents, in preparing the EIS would be able to focus on the issues most intervenors deemed to be important.

In February 1982, the panel released its final set of guidelines for the preparation of the EIS. The final guidelines reflected a number of the changes requested during the guideline hearings, although not all of the intervenors were enamoured with the final document.¹⁸ With the release of the final guidelines, the panel also transmitted requests to sixteen government departments and agencies for additional information. These requests, first initiated by the panel in June 1981, were in response to previous panels' concerns over government preparedness to deal with large-scale industrial activity in the North¹⁹ and also in response to a number of policy issues that had been raised during the guideline hearings. In particular, specific requests were made to DIAND and the Department of Energy, Mines and Resources (EMR). These requests for 'government position papers' represent a new dimension to the EARP process as the panel and FEARO have attempted to draw on greater participation from various governmental actors. The terms of reference for the panel do not make specific reference to the information requested by the panel of governmental actors, only that the panel should be prepared to assess "the

¹⁵Beaufort Sea Environmental Panel, "Operational Procedures", October 1981, mimeo.

¹⁶Private Communication.

¹⁷For an analysis of the changes to the guidelines as a result of the guideline hearings, see: Graham, et al., op. cit.

¹⁸Beaufort Sea Research Coalition, "Comments on: Guidelines for the Preparation of an Environmental Impact Statement: The Beaufort Sea Hydrocarbon Production Proposal", April 1982.

¹⁹Private Communication.

capacity of Governments to control Beaufort Sea oil and gas developments...."⁹⁰ The submission of these position statements was to be timed with the public release of the EIS which was anticipated for July 1, 1982.⁹¹

Shortly after the release of the final guidelines, the panel also released an interim report which summarized the panel's work up to the release of the guidelines. In addition, the interim report outlined the future plans of the panel. A summary of some of the concerns expressed to the panel was provided in the interim report along with the panel's response to these concerns. According to the panel: "(t)he concerns fell into generally two categories: changes to the draft EIS guidelines and concerns about the adequacy and appropriateness of the review process being followed by the Panel."⁹² The panel, in the interim report attempted to respond to the concerns about the review process. The most significant result of the interim report was a request by the panel to increase the range of issues in its review and examine hydrocarbon exploration activity that would occur concurrent with development in the Beaufort Sea region.⁹³ This request was complied with by the federal government.

The EIS, which contains seven separate volumes, was released intermittently by the proponents over the spring and summer of 1982 with the final volume, the summary, released in November 1982, four months after its anticipated release. The government position papers were also released intermittently over this period with the final four papers from EMR, DIAND, the Department of Health and Welfare and the Department of Industry, Trade and Commerce released concurrently with the final volume of the EIS.

Public Participation

In addition to the previously described public consultation undertaken by the panel, the review has also included community workshops organized by the panel during the interim period between the guideline hearings and the final hearings. The workshops are

⁹⁰Beaufort Sea Hydrocarbon Production Environmental Assessment Panel, "Terms of Reference", attached to a letter from John Roberts, MOE to Dr. John Tener, June 14, 1981.

⁹¹FEARO, *Beaufort Sea Hydrocarbon Production Proposal: Interim Report of the Environmental Assessment Panel*, p.4.

⁹²Ibid, p.9.

intended to maintain a high public awareness of the panel and its activities as well as facilitate participation by community groups in the final hearings. Furthermore, the panel secretariat established an office in the North at Inuvik as a liaison office for northern communities. Since the initial referral of the proposal to FEARO, the panel and its secretariat have made an extensive effort in public consultation. However, this extensive attempt to develop public awareness of the review and public participation in the review process was hampered by the restricted timeframe of the funding program.

Technical Capability

For the extensive Beaufort Sea hydrocarbon production proposal, FEARO has attempted to boost the technical capability of the review process by hiring technical specialists. In the past there has been concern expressed over the ability of a small number of panel members (usually 5-7), with expertise in relatively narrow areas, to adequately review an EIS that describes wide-ranging impacts on the biological, physical and human environments. The Beaufort Sea review has attempted to reduce this problem by hiring a complement of 'technical specialists', "who will provide advice on certain technical subjects that may be addressed during the Panel review process...(and) act as resource persons...to provide opinions on specific issues in addition to raising others that may be overlooked."⁹³ Public intervenors will be allowed to consult with the specialists during the review through the secretariat.

After the EIS

After the release of the complete EIS in November 1982, a ninety day review period was provided for the panel, the federal government and the public to review the document. During this period the panel received comments on the adequacy of the document from all intervenors in the process. As a result of the comments received during this period and the panel's own review of the document the panel issued a deficiency statement to the proponents requesting more information in the document. In

⁹³Beaufort Sea Environmental Assessment Panel, "Information", July 12, 1982.

addition the panel also requested further information from various government departments. The proponents' response to the deficiency statement and the additional information from the government departments are expected by July 1983. The panel has six months after its final hearings to submit its report to the Minister for the Department of Environment. The earliest probable date for the release of the final report of the panel will be spring 1984.

This study examines the Beaufort Sea review up to the release of the EIS and government position papers. As this is a study about environmental decision-making processes not a study in environmental decisions themselves, no analysis of the EIS or other 'technical' aspects of the review has been undertaken.

Associated Events

Concurrent to the evolution of the Beaufort Sea review were a number of other important events that directly or indirectly affected the federal government's approach to environmental decision-making processes in the Beaufort Sea region. Most important for this study and discussed in greater detail later, was the formation of the Senior Policy Committee on Northern Development Projects and the Task Force on Beaufort Sea Developments. Both of these intergovernmental committees were formed as a direct result of the impending hydrocarbon development in the Beaufort Sea region.

The Senior Policy Committee for Northern Development Projects was established in late 1980 and was composed of representatives at the Assistant Deputy Minister level from approximately eleven government agencies with responsibilities in the North, including the Government of the Northwest Territories, (GNWT) and the Yukon Territorial Government, (YTG). The purpose of this committee was to address the policy issues of hydrocarbon development in the North. Thus, this committee was intended to be the central policy discussion forum for hydrocarbon and related policies. The committee was advisory to DIAND on these issues as DIAND remains the central coordinating agency for all federal activities in the North.²⁴ In addition to the committee's indirect role to the Beaufort Sea review as the central policy discussion forum, the committee was directly

²⁴Beaufort Sea Environmental Assessment Panel, Minutes of Meeting with Neil Faulkner, Assistant Deputy Minister, DIAND, December 7, 1981.

involved as the Beaufort Sea panel requested that the government position papers be coordinated through this committee.⁹⁵

The Task Force on Beaufort Sea Developments was established by the Senior Policy Committee in February 1981 and was the first direct response by the federal government to the impending hydrocarbon development in the Beaufort Sea. This task force was composed of fourteen middle level civil servants representing the departments of: EMR, DIAND, Fisheries and Oceans (DFO), Transport, DOE, as well as representatives from the GNWT and YTG. The purpose of this task force was "to examine how the federal government could best respond to the anticipated hydrocarbon developments in the Beaufort Sea area"⁹⁶ in terms of policy and was not directly involved in the Beaufort Sea review.

The task force submitted its report to the Senior Policy Committee six months prior to the guideline hearings conducted by the panel and nine months after the proposal had been referred to FEARO. Although the task force made four major recommendations, (discussed in Chapter 3), of particular note was the recommendation to establish a Beaufort Sea Office. This office was intended to coordinate and implement the policies and strategies developed by the Senior Policy Committee.⁹⁷ This office was eventually established but disbanded in July 1982.

C. The Green Paper Exercise

The Lancaster Sound region has been described as a biological oasis by many commentators. "Ecologically, the Sound is one of the richest, most productive areas in all the Arctic."⁹⁸ The biological resources of the area are critical to the lifestyle of the Inuit residents of the region. In addition to the region's high ecological profile, the Sound has been identified as an area containing one of the most potentially productive oil and natural gas geological formations in the North. Finally, the Sound is located at the eastern gateway

⁹⁵Letter John Tener, Chairman Beaufort Sea Environmental Assessment Panel to Paul Tellier, Deputy Minister, DIAND, February 25, 1982.

⁹⁶Task Force on Beaufort Sea Developments, "Report of the Task Force on Beaufort Sea Developments", submitted to the Senior Policy Committee, Northern Development Projects, April 1981, p.5.

⁹⁷Ibid., pp.31-34.

⁹⁸Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Green Paper*, (Ottawa: DIAND, 1982), p.13.

to the Northwest Passage. The future of Lancaster Sound is a crucial element in the development of marine transportation in the Arctic. In addition to the transport of ore from the mines in the area, there are proposals to ship liquified natural gas (Arctic Pilot Project) and oil in tankers through the Sound (Dome Petroleum Ltd.)

In 1978 Norlands Petroleums Ltd. went before an EARP panel with a proposal to drill one exploratory well in Lancaster Sound. The green paper exercise is an *ad hoc* response by the federal government to the principal recommendation of the EARP panel that reviewed this drilling proposal:

The panel recommends that the responsible federal coordinating body (DIAND) use the time available from a deferment of drilling to address on an urgent basis, with adequate public input and taking into account the various forces at work, the best use(s) of the Lancaster Sound region.⁹⁹

In September 1979, DIAND initiated the Lancaster Sound Regional Study which was to be structured as a green paper exercise.

The green paper exercise is similar to the Beaufort Sea review in two respects. First, the exercise is being conducted in anticipation of a significant increase in requests for industrial activity in the Sound. Second, the exercise is being conducted on a 'regional' basis. That is, the potential uses for the 'region' are being examined. Thus, the green paper exercise is not structured as a 'site' specific or 'project' specific decision-making process.

Structure

As the green paper exercise is an *ad hoc* response by the federal government and 'green papers' are both relatively rare and not precisely defined, there was no explicit structure for the process stated at the outset.

The term green paper is generally used to refer to a paper prepared by government for the purpose of fostering full public discussion of a specific issue or policy question. Thus, a green paper is intended to provide a clear

⁹⁹FEARO, *Report of the Environmental Assessment Panel: Lancaster Sound Drilling*, p.73.

description of the issue in question and to outline a range of possible alternatives or options available for its resolution.¹⁰⁰

However, unlike EARP there are no operational or structured guidelines which 'green papers' typically follow.¹⁰¹ As a result, the green paper exercise was subject to continual operational evolution. This discussion of the green paper exercise operates on the premise that despite the basic purpose of a green paper being a 'discussion' document, implicit in such an exercise is an eventual decision. Specifically, in the Lancaster Sound case, the eventual decision initiated by the green paper exercise would involve future industrial activity in the Lancaster Sound region.

As initially announced by the Minister for Indian Affairs and Northern Development, the green paper was to be:

a synthesis of information available to date, including identification of the options for management and use of the area that have been suggested so far.... It will simply be a tool all of us to use in the most thorough possible discussion of the issues and development of further options.¹⁰²

Furthermore, the exercise was to address these issues for a twenty year period, 1980-2000. Beyond this very general statement, the green paper exercise was not given explicit terms of reference and there was no indication by the federal government what issues should be included in the discussion and which issues could be ignored. As the exercise evolved it became increasingly referred to and linked with a regional planning exercise, although federal officials maintained the green paper exercise was only laying the groundwork for a regional planning exercise.¹⁰³

Originally, the green paper was scheduled to be released in early 1980, a few months after its commencement. This short timeframe was proposed in order that the green paper exercise would be completed before Petro Canada applied to drill an

¹⁰⁰Lancaster Sound Regional Study, op. cit., p.18, footnote 1.

¹⁰¹For a discussion of the use of 'colored papers', see; Audrey Doerr, "The Role of Colored Papers", *Canadian Public Administration*, 25:3(Fall, 1982), pp.366-379.

¹⁰²Lancaster Sound Regional Study, "Newsletter", No. 1, undated.

¹⁰³Government of Canada, Senate, op. cit., No. 31, Testimony of Neil Faulkner, Assistant Deputy Minister, DIAND, June 22, 1982, p.9.

exploratory well in Lancaster Sound. However, as a result of pressure from interest groups and increasing interest and concern within the federal bureaucracy over the exercise, the timeframe was extended.

Organization

The green paper exercise was managed by a two-tiered interdepartmental organizational structure. A Steering Committee composed of thirteen civil servants to the level of Director-General was formed to provide general direction to the study. The second part of the organizational structure was the Working Group comprising thirteen middle level civil servants and one consultant. The Working Group was responsible for "gathering and summarizing all available information relevant to the project" and preparing both drafts of the green paper.¹⁰⁴ Both committees were interdepartmental with representatives from the GNWT as well. A number of consultants and support personnel were also involved at various stages.¹⁰⁵

The process was eventually organized into four phases as indicated in the draft version of the green paper. Phase one involved the definition of goals and objectives, information and data collection, analysis of information and identification of conflicts and compatibilities, and identification of examples or alternative strategies or options. The uncertainty inherent before the green paper exercise was initiated is indicated in Phase one which involved a definition of goals and objectives. The second phase involved a public review of the draft version of the green paper and the development of options. Phase three was to be the preparation of the final green paper and its submission to MIAND. Phase four was to be the selection of a preferred alternative, statement and implementation of a plan and development of management guidelines.¹⁰⁶ As stated previously, this organizational approach was in a constant state of flux with the phases described here representing the strategy announced in the draft green paper.

¹⁰⁴Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Green Paper*, p.94.

¹⁰⁵*ibid.*

¹⁰⁶Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Draft Green Paper*, (Ottawa: DIAND, 1980), p.9.

The Process

The most notable aspect of the green paper exercise was its evolutionary nature. From an original goal of producing the green paper early in 1980, the process expanded to eventually comprise two green papers and two public review phases. After the announcement of the green paper exercise in late 1979 a public information program was conducted. A brochure describing the exercise was produced and seven members of the Working Group visited three communities in the region during March 1980. During this initial period of public consultation the government announced it would first produce a draft version of the green paper which would then become the focus of the public review. This draft green paper and phase one of the exercise were not completed until February 1981, almost eighteen month after the commencement of the exercise. Also released with the draft green paper were five background reports which described in greater scientific detail the Lancaster Sound region.

Shortly after the release of the draft version of the green paper, a workshop was conducted by the Canadian Arctic Resources Committee (CARC), the Baffin Region Council and the Inuit Tapirisat of Canada (ITC), March 30-31, 1981, at Frobisher Bay, NWT.¹⁰⁷ This workshop was organized to discuss the draft version of the green paper and discuss how these groups and local communities could best approach the public review of the draft green paper.

The second phase of the exercise, the public review phase, was conducted in April and May of 1981. During April 1981, informal community meetings were held in Resolute, Pond Inlet, Grise Fiord, and Arctic Bay. These community meetings were strictly informational and were "designed to enable the residents of the Lancaster Sound region to respond to the issues raised in the draft green paper and to put their concerns on record."¹⁰⁸ After the community meetings, a northern workshop was held from May 6-8 at Resolute Bay. This workshop was a more formal hearing for various local concerns to respond to the draft green paper. Each of the four communities sent three representatives to this workshop. The meetings were chaired by Dr. Peter Jacobs from the University of Montreal.

¹⁰⁷Inuit Tapirisat of Canada, "News Release", April 2, 1981.

¹⁰⁸Lancaster Sound Regional Study, "Schedule of the Public Review Phase"; Open file of submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

A southern workshop was held in Ottawa May 25-27, in order that government departments, industry and other interested parties could make a presentation. This workshop was also chaired by Jacobs. The participants in this workshop were organized into four groups for discussion of the issues and group reports were presented during the general meetings. The four communities were represented at this workshop by eight delegates. At the end of this public review phase, Dr. Jacobs was asked to prepare a report summarizing the results of the public review phase, the second phase. Similar to the delay in the release of the draft green paper, Jacobs' report was not released until May 25, 1982, one year after the public review phase was completed.

During the public review phase pressure was brought to bear on DIAND by a number of interest groups in the North and the community representatives, for further public consultation after the final green paper was released. DIAND complied with this request and an additional phase was added to the green paper exercise. Once again the process was expanded.

The final green paper was released July 30, 1982, almost three years after the green paper exercise was commenced. This study examines the green paper exercise up to the release of the final green paper. However, similar to the Beaufort Sea review, the green paper exercise is not yet completed. DIAND has stated public consultation on the final green paper will be undertaken. The intended result of the process and the steps that will be taken after this final round of public consultation remain uncertain at this point.

Associated Events

Shortly after the commencement of the green paper exercise, the EARP panel reviewing the Arctic Pilot Project released its report. The Arctic Pilot Project is a proposal by a group of companies (including Dome Petroleum Ltd.) to ship liquified natural gas in ice-breaking tankers from Melville Island through Lancaster Sound to Canada's southern east coast. This proposal is important for the green paper exercise because the Lancaster Sound would be used as the transportation corridor. However, this proposal was allowed to proceed through the regulatory process apart from the green paper exercise. Similarly, the Polaris mine project on Little Cornwallis Island at the western

entrance to the Sound was scheduled to commence production in 1982. Therefore, the exact role the green paper exercise will play in determining the future uses of the Lancaster Sound region is unclear. Furthermore, as these projects, as well as the shipping component of the Beaufort Sea proposal illustrate, the future of Lancaster Sound could be a central factor in shaping industrial activity not only in the eastern Arctic but also across the entire Canadian North.

In July 1981, DIAND released a discussion paper entitled "Northern Land Use Planning". This paper was DIAND's first attempt at developing a land use planning process policy for the North. This document outlines what the federal government hopes will be a continuing, comprehensive land use planning system. In short, this is an attempt to replace the previous "*ad hoc*, crisis management approach" with a more holistic approach to northern planning.¹⁰⁹

This policy proposal is intended to become the institutional response to 'planning' issues in the North and therefore eliminate the need for future processes such as the green paper exercise. While still in its developmental stages, this policy indicates the federal government has recognized the need for a planning process as industrial activity increases in the North. As the green paper exercise dragged on, this policy proposal began to emerge as possibly an important factor in determining the future uses of the Lancaster Sound region.

D. Conclusion

Although this study does not employ two case studies for the purposes of comparison, four important aspects of both of these processes should be noted. First, both processes contain a proactive or planning dimension. The Beaufort Sea review is being conducted in *anticipation* of hydrocarbon production in the Beaufort Sea region. The green paper exercise is a more explicit proactive process, as it is attempting to lead to a consensus on the best use(s) for the Lancaster Sound region. However, the green paper exercise lacks an explicit decision-making component. Therefore this process lacks the conclusiveness of the Beaufort Sea review. The Beaufort Sea review retains a

¹⁰⁹Minister of Indian Affairs and Northern Development, "Northern Land Use Planning: Discussion Paper", (Ottawa: mimeo, 1981), p.15.

reactive element as it is responding to a particular type of proposed activity and is dependent on the project proponents for impetus.

Second, both processes have taken a broad geographical approach. The Beaufort Sea review focusses on the Beaufort Sea-Mackenzie Delta region but goes further by attempting to assess all environmental implications of the proposal north of 60. The green paper exercise examines a more defined area but nevertheless takes a 'regional' approach. In addition, both processes are examining the regional implications of activity to the year 2000.

Third, both processes have involved extensive public consultation and public participation. The public has been asked to participate in the final decision-making aspects of each process and was also asked to participate in formulating the issues both processes will address. The green paper exercise did this through a draft green paper and the Beaufort Sea review attempted this through guideline hearings. Furthermore, both processes incorporated public input through two methods. Informal meetings and hearings were held to facilitate local community input and formal meetings and hearings were employed to allow industry, interest groups and government departments to participate.

Fourth, and partly as a result of the extensive public consultation and participation, both processes will take over three years to complete. For the Beaufort Sea review, the earliest probable date for the EARP panel's final report would be forty-two months after the referral. Similarly, the final round of public consultation for the green paper exercise will probably take place four years after the commencement of the exercise. This extensive timeframe raises the issue of regulatory lag which will be touched upon later.¹¹⁰ Are these environmental decision-making processes efforts to reduce or eliminate regulatory lag for industrial activity in these regions or simply another example of excessive delays caused by an inefficient regulatory process?

The case studies under examination in this study represent a continuation in the tradition of varied approaches to environmental decision-making processes in the North. Both cases are significantly different from each other and past experience in terms of structure and purpose. However, both studies are consistent in two important aspects:

¹¹⁰Regulatory lag refers to the delay in project planning and development caused by an inefficient regulatory process.

they are both attempting a broad regional overview and both contain a proactive dimension. Thus, there appears to be a departure from the reactive, narrowly focussed approach that previously characterized environmental decision-making processes. The cases involve regions that are crucial to the future of industrial activity in the North. The broad environmental issues raised by industrial activity in these regions have ramifications for the political, social, and economic future of the North. Finally, these case studies suggest implications for future environmental decision-making processes in the North.

III. ENVIRONMENTAL DECISION-MAKING PROCESSES AND PUBLIC POLICY

Environmental decision-making processes are initially influenced by the framework of public policies being applied in the North. This framework of public policies contains two levels or dimensions; the general level which provides the context within which environmental decision-making processes must operate, and the sectoral level, which is a further elaboration of the general policy framework. The general framework of public policies guiding the environmental decision-making processes under examination in this study is represented by policies in the areas of northern development, national energy policy, environmental protection and economic development. Sectoral policy refers to policies in more specific areas such as northern hydrocarbon development and land use policy. The lack of specific, explicit policy frameworks at both the general and sectoral level politicizes the processes and makes the final product of the processes unclear.

A. The General Policy Framework

The federal government's most general statement on northern development remains *Canada's North: 1970-1980*.¹¹¹ This document, although presented in 1972, remains the cornerstone of the federal government's policy for the North. As stated in Chapter I, it establishes the government's priorities as: people, the environment, and resources. This policy statement emphasizes the need for balanced development of the North.

The goal of balanced development has been recently reaffirmed by the present Minister for Indian Affairs and Northern Development:

...development must proceed in a way that is compatible with Canada's national interest and the interest of northerners. At the same time adequate safeguards must be provided to protect the environment and the cultural heritage of native northerners. All citizens in the north, as well as the territorial governments must share in benefits resulting from such future developments.¹¹²

¹¹¹*Canada's North: 1970-1980*, Statement of the Government of Canada on Northern Development in the 1970's to the Standing Committee on Indian Affairs and Northern Development, March 28, 1972, (Ottawa: Information Canada, 1972).

¹¹²Government of Canada, House of Commons, *Standing Committee on Indian Affairs and Northern Development*, Minutes of Proceedings and Evidence, No. 22, Statement by John C. Munro, Minister for Indian Affairs and Northern Development, March 24, 1981.

While this statement is consistent with *Canada's North: 1970-1980*, neither statement seeks to outline a criterion which would be used to achieve the goal of balanced development. Such a criterion is important as it would determine the acceptable trade-offs in a development proposal.

Energy Policy

Recently such questions have been partly addressed by DIAND. In June 1982, Senator Jack Austin announced the federal government would pursue northern hydrocarbon development through a phased, controlled approach by restricting development to demonstration projects.¹¹³ Projects such as the Arctic Pilot Project and the Norman Wells Pipeline, with its two year delay, were given as examples of this type of approach. This speech was significant because it suggested, explicitly, the federal government was adopting a 'go slow' approach to northern development and northern hydrocarbon development in particular. Although there is no specific definition as to what type of project qualifies as a phased, demonstration project, this statement indicates a change in tone from the 'need to know' policy of 1976 and its program of doubling hydrocarbon activity in the frontier regions.¹¹⁴ This speech could be interpreted as implicitly raising the priority of environmental issues in the consideration of hydrocarbon development projects in the North. The speech also suggests a strategy for controlling the environmental impacts of hydrocarbon development in the North. According to Austin: "The controlled approach, through demonstration projects, will facilitate the introduction of special measures that may be needed to mitigate northern impacts and at the same time maximize northern benefits."¹¹⁵

¹¹²(cont'd)p.8.

¹¹³"Notes for Remarks by the Honourable John C. Munro, Minister of Indian Affairs and Northern Development," Speech delivered by Senator Jack Austin, P.C., Q.C. to The Canadian Club, Edmonton, Alberta, June 17, 1982.

¹¹⁴Energy, Mines and Resources, *An Energy Strategy for Canada, (Summary): Policies for Self Reliance*, p.25.

¹¹⁵"Notes for Remarks by Honourable John C. Munro, Minister for Indian Affairs and Northern Development", op. cit. p.5.

The *National Energy Program*, (NEP),¹¹⁶ presented in October 1980, has replaced *An Energy Strategy for Canada* as the national energy policy statement for Canada. With respect to the environmental questions raised by energy related activity, the NEP remains consistent with the 1976 statement by only recognizing such issues exist and that they should be considered when pursuing hydrocarbon related activity in the North.¹¹⁷ In addition to the phased, controlled approach to northern hydrocarbon development, it would appear the NEP also represents a slight retreat from the compelling 'need to know' policy of 1976. The 'need to know' policy approach to northern hydrocarbon activity has been replaced by a 'safety net' approach. The difference between these two approaches is not clear, but the 'safety net' policy appears to suggest a more cautious approach toward hydrocarbon development.

The safety net approach concerns itself predominantly with exploration aspects of hydrocarbon activity. The safety net approach is an effort to maintain a high level of exploration activity in order to prove up resources and ensure secure oil and gas supplies for the future. The NEP clearly continues the past policy of a high level of exploration activity in the North. Environmental decision-making processes, then, when dealing with exploration activity can be guided to some degree by this fairly clear priority of the federal government.

When dealing with hydrocarbon 'development' activity the NEP is less clear. Although the regulatory regime presented in the NEP is designed "to shift the pattern of oil and industry capital from the Western Canadian provinces to the federally-owned Canada lands in the North and offshore,"¹¹⁸ and set as its objective active 'development' of hydrocarbon resources in Canada generally,¹¹⁹ the program becomes ambiguous in its discussion of hydrocarbon development in the North:

Clearly, the private sector's exploration effort has been founded on an expectation that resources, once discovered, will be produced as soon as possible. Such perceptions, based on legitimate individual company interests, may have to adapt somewhat, to be consistent with the safety net approach.¹²⁰

¹¹⁶Energy, Mines and Resources, *The National Energy Program*, (Ottawa: Energy, Mines and Resources, 1980).

¹¹⁷*Ibid.*, p.45.

¹¹⁸Larry Pratt, "Energy: The Roots of National Policy", *Studies in Political Economy: A Socialist Review*, 71(Winter 1982), p.28.

¹¹⁹Energy, Mines and Resources, *op. cit.*, p.40,45.

¹²⁰*Ibid.*, p.44

Just how development proposals are to be reconciled with the safety net approach and the environmental considerations that are to be taken into account in the approach remains vague. The federal government simply asserts: "(w)hen commercial development is undertaken particular care will be paid to environmental questions."¹²¹

The policy context with respect to energy policy indicates a shift toward a more cautious approach. However, with this shift there has also been an increase in uncertainty with respect to hydrocarbon policy in the North. Not only do the environmental aspects of the policy remain vague but the level of activity proposed has changed from the explicit goal of doubling exploration to the vague objective of developing a safety net.

Economic Policy

Just as energy policy suggests the North will be a region of continuing industrial activity, the North more generally, has been identified as a key region in Canada's economic future. According to John Munro, the present Minister of Indian Affairs and Northern Development: "The government has staked much of (the) economic future...and business recovery on major projects, many of which will be undertaken in the North."¹²² A recent report prepared by a task force on major projects suggested the North would be one of the top regions for investment in major projects over the next twenty years.¹²³ At a very general level then, there is a continuing interest in the North as an investment frontier within both the private sector and the federal government. This continuing interest suggests industrial activity in the North will be maintained and probably accelerated.

¹²¹Ibid, p.45.

¹²²"Canada's Multi-Billion Dollar Projects: What Price, What Rewards", Notes for remarks by Honourable John C. Munro, Minister of Indian Affairs and Northern Development, Empire Club, Toronto, April 1, 1982.

¹²³*Major Canadian Projects: Major Canadian Opportunities*, A Report by the Consultative Task Force on Industrial and Regional Benefits from Major Canadian Projects, June 1981, p.8.

Environment Policy

The federal government's environment policy provides even less clear guidance for the environmental decision-making processes than the NEP. It has been argued one of the problems with *Canada's North: 1970-1980* was the lack of performance criteria that would give substance to the priorities outlined.¹²⁴ This problem was duplicated in the NEP. For environmental issues, this lack of performance criteria reflects a larger problem. In Canada there is no national environmental policy.¹²⁵ "...Environment Canada has found it increasingly difficult to make environmental quality a government priority and to exact a continued and vital influence on national decision-making."¹²⁶ This failure on the part of Environment Canada is a reflection of the department's overall weak position in the federal government. Notably, in Bill C-48, which provides the regulatory regime for hydrocarbon activity on Canada lands, the environmental issues are controlled by DIAND and EMR. A national environmental policy could provide an important part of the policy guidance for environmental decision-making processes that is presently lacking in national policy statements respecting the North. The absence of such a policy combined with the ambiguity of other policy statements allows environmental quality to be determined in an *ad hoc*, arbitrary fashion.

The consideration of environmental issues, while recognized in the policy statements to date, is a very vague aspect of the general policy framework for the North. The general policy framework provides little guidance for environmental decision-making processes. The policy framework suggests two factors which will have implications for future environmental decision-making processes. First, environmental considerations do not appear to be a high priority for the federal government's policy in the North. Such issues are recognized but not elaborated. Second, there will probably be an increasing amount of industrial activity in the North. Consequently, environmental decision-making processes will probably be increasingly forced to deal with the vague general policy

¹²⁴Edgar Dosman, "Arctic Sea: Environmental Policy and Natural Resource Development", *Resources and Environment: Policy Perspectives for Canada*, O.P. Dwivedi ed., (Toronto: McLelland and Stewart, 1980), p.206.

¹²⁵William E. Rees, "EARP at the Crossroads: Environmental Assessment in Canada", *Environmental Impact Assessment Review*, 1:4(December 1980), p.369

¹²⁶R. Brian Woodrow, "Resources and Environment Policy-Making at the National Level: The Search for Focus", *Resources and Environment: Policy Perspectives for Canada*, O.P. Dwivedi, ed., p.34.

framework in the North.

B. The Sectoral Policy Framework

Specific policy guidance emerges from the sectoral policy framework which attempts to put into operation the objectives and priorities that have been outlined by the general policy framework. Sectoral policies are those policies that are pursued in order to fulfill the objectives of the general policy framework. It is at this level of policy that environmental decision-making processes will be most directly affected.

There has been a general consensus that a critical element missing from many decision-making processes involving the North is clear concise policy statements in a number of important sectors. This absence of policy has been a constant complaint of industry and interest groups alike.¹²⁷ It is argued more detailed policies in the areas of northern resources and hydrocarbon development, which might include statements on levels of production and export policy, land claims, revenue sharing, political devolution and environmental management are needed.¹²⁸ As a result of the absence of policy in these important sectors and the vague general policy framework, industrial activity in the North and hydrocarbon activity in particular lack an interpretive policy framework that would guide decisions relating to this activity. An interpretive policy framework is an explicit, specific and unambiguous statement of policies and criteria which effectively guide decisions.

The absence of an interpretive policy framework has been recognized by senior government officials.¹²⁹ A deputy minister's meeting in early 1980 reviewing the Beaufort Sea hydrocarbon development plans had this issue on its agenda. According to the background notes, the deputy ministers were to discuss if, "a fundamental decision to be taken is whether the government

1. wishes to continue to react to the specific project proposed when it comes forward formally from the proponent and then address the policy and

¹²⁷Task Force on Beaufort Sea Developments, *Report of the Task Force on Beaufort Sea Developments*, Submitted to the Senior Policy Committee, Northern Development Projects, April 1981, Appendix IV, p.2.

¹²⁸For a more complete discussion of the policy void see; Ibid.

¹²⁹Rees, op. cit, p.369.

regulatory decisions after the application has been filed , or

2. takes the lead in advance of actual submission of the application to set out criteria that the application must meet and indicate the limitations that will apply.¹³⁰

Since this meeting no criteria have been forthcoming from the government. However, initiatives in a number of policy sectors have been undertaken. As these initiatives have important implications for environmental decision-making processes generally and the Beaufort Sea review and the green paper exercise specifically, they will be briefly discussed here.

Land Use Planning

As stated in the previous chapter, in July 1981 DIAND released a discussion paper entitled, "Northern Land Use Planning". Presently this document is under review and will be updated and improved although DIAND has received budgetary approval for the policy and is in the process of developing the organizational superstructure and hiring personnel. The document received substantial criticism. Two consultant reports commissioned by DIAND criticized the proposal for its excessive central control, lack of definition of 'comprehensive land use planning', lack of clearly specified roles for the various participants and its proposed organizational structure.¹³¹ While these are significant problems, a number of more important issues are raised for environmental decision-making processes. Despite an attempt to develop a policy sector that could contribute to the overall development of an interpretive policy framework, the land use planning proposal indicates a continuation of vague sectoral policy for the North.

First, and foremost, the most obvious indication of the continuance of vague sectoral policy is the lack of a clear definition of 'comprehensive land use planning'. DIAND did not provide a definition in the discussion document. Crucial to determining

¹³⁰Cited in *Ibid.*, p.369.

¹³¹DPA Consulting Ltd., "Preliminary Planning for the Implementation of Comprehensive Land Use Planning in the Yukon and Northwest Territories", Prepared for Northern Affairs Program, DIAND, December 1981; N.H.Richardson, "Northern Land Use Planning", DIAND, January, 1982.

DIAND's mandate in land use planning is the scope of the process. In order to determine the scope of the process a specific definition of comprehensive land use planning is needed. The need for a specific definition becomes more important when it is noted "...the mandate of DIAND is considerably less clear in planning the use of Northern lands than it is when it comes to controlling the use of these same lands."¹³² DIAND did not provide a definition, thus the scope of the process remains uncertain and DIAND's mandate regarding the process remains unclear. Furthermore, without this essential element being explicitly stated, DIAND is attempting to fill a policy void in the North with a decision-making structure rather than developing a policy to guide the decision-making structure.

Not only is the policy proposed vague but its relationship to previously announced policy or programs remains unspecified. First, the present land use planning proposal is inconsistent with the agreement-in-principle between the federal government and the Committee for the Original Peoples Entitlement (COPE), signed October 31, 1978. The COPE agreement-in-principle provided stronger local control over the planning process. For DIAND to reconcile the COPE agreement-in-principle with the more recent land use planning process, DIAND's control over the process would have to be diminished.¹³³

Second, the relationship between other decision-making processes, particularly environmental impact assessment, and land use planning is not discussed in the document. This issue is most readily evident in reference to the COPE agreement-in-principle. In this agreement land use planning was to include impact assessment.¹³⁴ However, on this point the document is silent.

Beyond the conceptual considerations of what each process should accomplish, and therefore how they should be integrated, a more practical problem emerges.¹³⁵ A consistent complaint of industry active in the North is the amount of duplication between various decision-making processes. In particular this complaint has been raised concerning EARP and the National Energy Board hearings. Without an explicit statement

¹³²DPA Consulting Ltd., op. cit., p. 10.

¹³³Richardson, op. cit., p. 25.

¹³⁴"The COPE/Government Working Group: Joint Position Paper on the Inuvialuit Land Rights Claim", (Ottawa: Office of Native Claims, mimeo, 1978), pp. 44-47.

¹³⁵Although this is probably one of the most pressing problems concerning the land use planning proposal, as this is a study about environmental decision-making processes rather than in the substance of environmental decision-making it will not be discussed here.

concerning how decision-making processes will be integrated in the North, there is a danger costly duplication will continue to occur. One consultant's report argued: "There is a rapidly emerging need to assess the potential, and the various alternatives, for longer term integration and/or rationalization of all federal government implementation, planning and review mechanisms which relate to land use in the North."¹³⁶ Although the land use planning initiative is generally welcomed by most groups in the North, there has been no attempt to integrate the decision-making processes being applied in the North, with the result decision-making processes and in particular environmental decision-making processes could continue to be applied in an *ad hoc*, disjointed fashion.

Not only is the land use planning proposal highly centralized, it was formulated through a centralized policy process. The land use planning proposal was developed within DIAND itself with little outside consultation.¹³⁷ This highly centralized policy process has two important implications for future sectoral policy in the North. First, the lack of clarity and specificity to the land use planning proposal may be the result of weak expertise in the planning area. However, a more fundamental problem may be evident. Vague policy may be the necessary result of a highly centralized policy process which attempts to accommodate a large number of vocal, diverse interests without representation from these interests. Policy is often vague in order to limit the criticism and conflict this type of policy-making process for the North generates. Despite the centralized policy process, policy that emerges remains fragmented and disjointed.

Second, the centralized policy process has implications for the policy at a more practical level. The centralized approach to policy development is premised on policy development *for* the North rather than policy development *with* the North. This approach limits the ability of DIAND to operationalize policy because the policy process calls into question the integrity of the policy.

¹³⁶DPA Consulting Ltd., op. cit., p.37.

¹³⁷DPA Consulting Ltd., op. cit., p.17; Private Communication.

Northern Hydrocarbon Development Policy

One of the most constant complaints from industry has been the lack of an explicit policy statement by the federal government that would coordinate the northern development goals of *Canada's North: 1970-1980* with the more recent *National Energy Program*. There is overall uncertainty over the place of northern hydrocarbon activity in the national energy context.

...(T)he policy process governing northern oil and gas development has in the past lacked a clear sense of direction and has been so fragmented that its performance can only be termed erratic. While it has generally promoted development, its response to specific proposals - and thus the shape of northern energy development - are unpredictable.¹³⁹

This uncertainty becomes more critical when hydrocarbon activity moves from the 'exploration' phase to the 'development' phase as in the Beaufort Sea. "The term 'development' includes the drilling of production wells, the installation of production facilities and the provision of transportation systems for moving hydrocarbons to market."¹³⁹ The ramifications of hydrocarbon development are normally more severe and far-reaching than exploration. The investment required by industry differs from exploration activity in two important respects. First, the investment is made on a longer term basis. Second, the capital investment required to develop an oilfield and the necessary infrastructure far exceeds the capital for normal exploration activity. In short, industry must make a more substantial commitment during development phase hydrocarbon activity than for the exploration phase. In order to make this commitment industry must receive some assurances that a development proposal is consistent with government policy.

The long term implications and larger scale investment inherent in development can significantly alter the economic and social relationships of individuals in the regions and the economic relationship of the region to Canadian society on the whole. Typically, exploration activity in the North has been comparatively isolated geographically and

¹³⁹Gurston Dacks, *A Choice of Futures: Politics in the Canadian North*, p.134.

¹³⁹Dome Petroleum Ltd., Esso Resources Canada Ltd. and Gulf Canada Resources Inc., "Hydrocarbon Development in the Beaufort Sea-Mackenzie Delta Region", June 1981, p.13.

insulated from the socio-economic milieu. Thus, the impacts of hydrocarbon development can be much more significant than the hydrocarbon activity presently witnessed in the North.

As the ramifications of the proposed activity increase, both for the region being impacted and the proponents, the need for policy guidance in decision-making increases. DIAND, it would appear, has recognized this need and has attempted to develop such a policy. It was to this end that the Senior Policy Committee on Northern Development Projects was formed in 1981. This committee, composed of senior civil servants from the relevant government departments and agencies and the territorial government was to assist in the preparation of the northern hydrocarbon policy initiated in 1980.¹⁴⁰ This policy was promised to the Beaufort Sea panel in November 1981.¹⁴¹

It was hoped one of the issues this policy statement would discuss is the place of northern hydrocarbon resources in the national energy context. Previous statements by both DIAND and EMR suggest the establishment of priorities for northern hydrocarbon development and the national energy context had not been determined. George Tough, Assistant Deputy Minister, Energy Policy Analysis for EMR has stated: "...it has been our view that we did not know enough to establish priorities..." Therefore the goal is to "...keep our options open and push industry to prove up those resources and find new resources."¹⁴² This view was confirmed by Neil Faulkner, Assistant Deputy Minister, Northern Programs for DIAND, before the same Senate committee.

The objective of the government is to keep options open at this time, but to be in a state of preparedness to allow initial production to begin from proven commercial reserves through demonstration projects, when it is shown to be in the national interest.¹⁴³

¹⁴⁰Beaufort Sea/Mackenzie Delta Development Plan, FEARO Seminar, Calgary, November 1980, p.22.

¹⁴¹Beaufort Sea Environmental Assessment Panel, *Draft Guideline Meetings*, (Transcripts), (Toronto: Angus Stonehouse and Co., 1981), Inuvik, Nov. 20, 1981, Statement of Rothschild, p.155.

¹⁴²Government of Canada, Senate, *Proceedings of the Special Committee of the Senate on the Northern Pipeline: Offshore Transportation Study*, No. 32, Testimony of George Tough, Assistant Deputy Minister, Energy Policy Analysis, Energy, Mines and Resources, June 29, 1982, p.40-41.

¹⁴³Ibid., No. 31, Testimony of Neil Faulkner, Assistant Deputy Minister, Northern Programs, Indian Affairs and Northern Development, June 22, 1982, p.11.

Essentially this is a 'reactive' policy stance. Hydrocarbon development will be allowed after the proposal has been shown to be in the national interest. Importantly, the 'national interest' remains undefined in these policy statements. For the development of hydrocarbon resources in the North, there is no *a priori* guidance for aspects such as production levels, export considerations or preferred transportation systems.

The lack of an explicit sectoral policy for northern hydrocarbon development has ramifications for environmental decision-making processes that go well beyond the guidance such a policy could provide. Without guidance from an explicit sectoral policy framework, the policy issues are addressed through the public participation component of the decision-making processes. Overarching policy issues such as the need for a project are consistently raised in the environmental decision-making processes. The absence of a policy framework that would resolve this issue increases the politicization of the processes. Fundamental questions concerning industrial activity *per se* are brought to bear in the processes that are intended and often designed to address the more narrow question of the environmental implications of a proposal.

Resource Development Policy

The Government of the Northwest Territories has attempted to fill some of the policy void in the North through its Resource Development Policy. Basically this policy proposes a decision-making process, not unlike a land use planning and an environmental impact assessment process, to be applied to "all non-renewable resource development activity and all renewable resource development projects in all lands and waters within the jurisdiction of the NWT."¹⁴⁴ Similar to the land use planning policy proposal, this policy proposal is the product of a major policy actor making an arbitrary thrust in a policy area without prior consultation with other important policy actors. There was no prior attempt to coordinate or integrate the Resource Development Policy with EARP or the land use planning proposal.

The objective of this proposal is to institutionalize the GNWT's mandate over

¹⁴⁴Government of Northwest Territories, Energy and Resources Secretariat, "Resource Development Policy", (Draft), p. 1.

socio-economic matters in the North.¹⁴⁵ At this point the policy proposal is quite vague. "The policy will not be implemented until more detailed guidelines and criteria have been developed for the major elements, Development Impact Zones, Assessment and Review and Monitoring."¹⁴⁶ The overall impact of this policy proposal, at this stage remains unclear. Nonetheless, the proposal is notable in two respects. First, this policy proposal indicates the dissatisfaction of the GNWT with the present environmental decision-making processes being applied in the North which are controlled and operated by the federal government. Second, there was political pressure from areas in the North undergoing intensive industrial activity and pressure from within the GNWT to expand its general mandate vis a vis industrial activity in the North.¹⁴⁷ This dissatisfaction stems not from their technical operation but from their political operation.

Summary

Two important findings emerge from this review of the policy framework. First, the policy framework presently in place to guide industrial activity in the North is vague. The general framework of public policies is asymmetrical. The most explicit and specific aspects of the general policy framework, such as the regulatory regime in the NEP, lay out the conditions under which the resources of the North will be developed. Although the national energy policy recognizes the possible environmental implications of this activity, no criterion is advanced which would put substance into the environmental considerations. Furthermore, no balance is provided by a national environment policy. The lack of precision in the general policy framework especially regarding environmental matters is reflected at the sectoral policy level. The northern hydrocarbon policy is premised on 'keeping the options open'. Recent policy efforts by DIAND and the GNWT, which propose new decision-making processes, are presently underdeveloped as they lack specific definitions on a number of important aspects.

¹⁴⁵Private Communication.

¹⁴⁶Government of Northwest Territories, Energy and Resources Secretariat, *op. cit.*, covering memorandum.

¹⁴⁷Private Communication.

Second, this discussion has suggested some important characteristics of the policy process which appear to contribute to the lack of precision in the framework of public policies. Efforts in sectoral policy are characterized by independent attempts by important policy actors to propose sectoral policy. Motivating the 'independent' nature of these policy thrusts has been attempts to maintain or expand bureaucratic mandates.¹⁴⁸ Sectoral policy is not only vague, but uncoordinated with other policy. As a result policy is difficult to operationalize. Long lead times are required to define the policy and reach consensus in the policy process.

A large number of factors contribute to this situation. A few of the more important factors will be briefly mentioned here. At the general level, the volatile world energy market requires some flexibility in national energy policy. The basic problem of supply however, has dictated a policy framework that promotes hydrocarbon activity. Compounding this problem is the federal-provincial dispute over petroleum revenues. The policy context has resulted in the federal government putting into place a policy framework that favors hydrocarbon activity on Canada lands.

At the sectoral level a primary cause of the vague policy framework is the question of the future political relationship of the North to the rest of Canada. Policies such as a land use planning policy have difficulty being operationalized because of the lack of a stable political base.¹⁴⁹ There is skepticism among many of the participants in the policy process concerning a successful land use planning process without a prior settlement of land claims.¹⁵⁰ There is a constant tension in the political relationship between the North and Ottawa. According to the Task Force on Beaufort Sea Developments, the northern policy framework is at the heart of this political issue: "The policy effort in the North must...establish a clear understanding among all Canadians of the relationship between Canada and its Northland."¹⁵¹ Until this future political relationship has been established by a

¹⁴⁸The 'independence' of many of the policy actors is referred to in; Task Force on Beaufort Sea Developments, op. cit. p.20.

¹⁴⁹Dan Billing, "Regional Perspective on Production Impact NWT.", p.284; Olav Loken, "Closing Remarks", *Proceedings of the Ninth Environmental Workshop on Offshore Hydrocarbon Development*, Claudette Reed Upton, ed., (Calgary: Arctic Institute of North America, 1980).

¹⁵⁰During the author's interviews there was a consensus opinion that the present land use planning proposal could *not* be successfully implemented without either a settlement of land claims or a clear indication of what the settlements might entail. See also; Richardson, op. cit., p.5.

¹⁵¹Task Force on Beaufort Sea Developments, op. cit., p.5.

general policy framework, sectoral policy will remain vague. This political uncertainty manifests itself at the bureaucratic level as various departments such as DIAND, DOE, EMR and the bureaucracy of the GNWT struggle to protect or expand bureaucratic mandates. While it may be tempting to focus on the failures of the bureaucratic process in producing policy, the overarching political issues that remain unresolved serve to subvert or slow the policy process. A key factor that constrains the policy process is the uncertain institutional framework within which the policy process must operate.

C. The Beaufort Sea Review

For the Beaufort Sea review the lack of an interpretive policy framework has created three problems. First, because of the lack of policy guidance through an interpretive policy framework, the politicization of the Beaufort Sea review has increased. In order to redress the problems presented by a vague policy framework the panel has developed a number of unique initiatives to increase the policy guidance from government and, consequently, assumed a policy-setting function.¹⁵² It is this assumption of a policy-setting function that is the second issue. The review has been forced to become a policy-setting forum for hydrocarbon development in the Beaufort Sea region with respect to northern hydrocarbon development and decision-making in the region. However, a number of factors constrain the panel's ability to forcefully assume this role. Finally, the lack of an interpretive policy framework has caused the final product of the Beaufort Sea review to be uncertain. In short, the Beaufort Sea review lacks direction because of the lack of an interpretive policy framework.

Politicization

The lack of an interpretive policy framework has caused the Beaufort Sea review to become the focus for debate on the policy issues raised by the proposal. Typically, these policy issues are raised through the public participation component of the process.

¹⁵²Policy-setting refers to the development of policy through the implications of an actor's decisions or actions. In contrast, policy-making refers to the authoritative decisions and action of the policy actor.

The increase in the politicization of the review through the debate of policy issues in the process was anticipated by industry in its submission to the Task Force on Beaufort Sea Developments:

The existence of such a policy (framework) would focus the Environmental Assessment and Review Process on how best to design and plan for development within the scope of this policy. *The absence of a policy statement places undue pressure on the FEARO panel, hearings and the industry.*¹⁵³

In addition to this plea for a policy statement industry requested more active participation by DIAND in the EARP hearings. "(The)...Department (should) have a clearly visible leadership role in the EARP public hearings and (should) make a submission on political issues and be prepared to review these issues at public meetings."¹⁵⁴ The report of the task force very clearly presented to the government the need to focus the EARP hearings and reduce the politicization of the hearings through a clear concise policy framework and active participation by the major policy actor in the North, DIAND.

Guideline Hearings

During the guideline hearings held in November and December 1981, the politicization of the review and the pressure placed on the panel as a result of this politicization became evident. The central policy issue raised during the hearings was land claims. Discussion concerning land claims was raised in two different respects during the guideline hearings.

First, concern was expressed that no further industrial activity should take place until a land claims settlement had been reached and therefore the policy framework should reflect this position. This remains the basic position of most native groups in the North. The need for a land claims settlement prior to further industrial activity is based on the argument that:

1. existing property rights have not yet been defined between the natives and the federal government

¹⁵³Task Force on Beaufort Sea Developments, op. cit., Appendix IV, p.3, emphasis added.

¹⁵⁴Ibid., Appendix IV, p.6.

2. political and administrative structures could change as a result and have policy considerations for industrial activity
3. further industrial activity prior to a land claims settlement would prejudice the negotiations
4. the need for the natives to respond to industrial activity distracts them from negotiations and slows the process.¹⁵⁵

The position as stated here, is essentially a position of principle and goes well beyond the realm of environmental decision-making processes into the broader political forum.

Second and also during the guideline hearings, the issue of the relationship between land claims, the proposal and socio-economic impacts was raised. It was argued by a number of intervenors that because the land claims negotiations involve discussions of land management regimes, the panel should examine the socio-economic impacts of the proposal relative to a land claims settlement.¹⁵⁶ It was argued the socio-economic impacts of the proposal would be affected by the type of land management regime in place.

The pressure this issue placed on the panel is evidenced by the panel's evasive and ambiguous response to the issue. At one point during the hearings the chairman of the panel, while recognizing the existence of a linkage between socio-economic impacts and land management regimes, stated: "those sorts of things are beyond the Terms of Reference of this Panel."¹⁵⁷ At this point it would appear the panel was rejecting a discussion of land claims because they were outside of the Terms of Reference. However, the panel could request a change in its terms of reference according to a letter from John Roberts, MOE to John Tener, Chairman, should it become necessary to address an issue not covered in the Terms of Reference.¹⁵⁸ In its interim report of April 1982, the panel apparently reverses itself somewhat by stating: "a land claims settlement could have important implications for the Beaufort Sea proposal, particularly with respect to

¹⁵⁵Although this summary is based on the position argued by the ITC, it does not differ in substance from the position of most native groups in the North. Beaufort Sea Environmental Assessment Panel, op. cit., Pangnirtung, December 4, 1981, p.7.

¹⁵⁶Ibid., Calgary, Nov. 27, Statement by Beaufort Sea Research Coalition, p.38; Statement by Council for Yukon Indians, pp.104-107; Pond Inlet, Dec. 1, Statement by Allooooloo, p.48.

¹⁵⁷Ibid, Inuvik Nov. 20, p.123.

¹⁵⁸Letter John Roberts, MOE to Dr. John Tener, Chairman, Beaufort Sea Environmental Assessment Panel, June 14, 1981; "Terms of Reference", attached.

socio-economic matters....¹⁵⁹ From here the panel becomes ambiguous stating:

...it is important to review those matters (land claims) to the extent possible. However, the Panel is not prepared to review land claims *as such*, since the Government has already instituted a procedure to deal specifically with the topic.¹⁶⁰

Clearly, the panel felt constrained to move forcefully in addressing this matter. While recognizing the importance of land claims, the panel felt it could only deal with the topic 'to the extent possible' and made no attempt to change its terms of reference and explicitly recognize the issue. The panel did request that the issue be discussed by the proponents in the EIS and by DIAND in its submission to the panel.¹⁶¹ The panel's treatment of the land claims issue illustrates the effect of the politicization of the environmental decision-making process. Although the panel attempted to address this highly controversial issue, the ambiguity inherent in the panel's treatment allows the respondents to set the limits of their discussion. When confronted with an overarching policy issue, at best, the process becomes ambiguous and evasive.

Policy-Setting

The Task Force on Beaufort Sea Developments

As stated in Chapter II the first policy response by the federal government to the Beaufort Sea hydrocarbon production proposal occurred independently of the Beaufort Sea review through the formation of the Task Force on Beaufort Sea Developments. The formation of this task force appears to be the result of a realization on the part of the federal government that it was ill-prepared to deal with the emerging industrial activity in the Beaufort region. The terms of reference for the task force included; preparation of a 'Situation Report' on policy, planning and regulatory activities, an assessment of the

¹⁵⁹FEARO, *Beaufort Sea Hydrocarbon Production Proposal: Interim Report of the Environmental Assessment Panel*, (Ottawa: Minister of Supply and Services, 1982), p.5.

¹⁶⁰*Ibid.*, emphasis added.

¹⁶¹Beaufort Sea Environmental Assessment Panel, *Guidelines for the Preparation of Environmental Impact Statement*, (Ottawa: FEARO, 1982), p.28; Beaufort Sea Environmental Assessment Panel, "Request to the Initiator, (DIAND): Beaufort Sea Hydrocarbon Production Proposal", (Ottawa: FEARO, Feb. 1982), pp.2-3.

preparedness of government, formulation of a planning framework, and the development of an action plan.¹⁶² The reactive stance of the federal government is indicated by the timing of the task force and its report. The report of the task force was submitted in April 1981, six months prior to the guideline hearings conducted by the EARP panel and nine months after the referral of the Beaufort Sea hydrocarbon production proposal to FEARO. "(T)he development of policy and the need for clarification of its linkages with the National Energy Program" was the major finding of the task force.¹⁶³

The task force made four major recommendations in its report; all of which have a bearing on the Beaufort Sea review. First, "the Federal Government should immediately prepare and make public a statement of policy concerning Beaufort Sea-Mackenzie Delta development", which would reflect the goals and objectives of a policy framework to be approved and released by the Minister of Indian Affairs and Northern Development. Second, a regional planning process should be initiated consistent with the COPE agreement-in-principle, the federal land use policy and DIAND's land use policy. Third, the issue of revenue sharing among the federal and territorial governments and the native groups should be resolved. Finally, a Beaufort Sea Office should be established by the government to coordinate and implement the policies and strategies developed by the Senior Policy Committee for Northern Development Projects.¹⁶⁴

The task force and its report are a recognition by a group of government officials, (the report does not necessarily reflect the views of the federal government), that government is poorly prepared to deal with the emerging developments in the Beaufort Sea region. Importantly for the Beaufort Sea review the task force and its report appear to have had little success in mobilizing the policy process. With the exception of the establishment of the Beaufort Sea Office, (which quietly disbanded in July 1982), there is little evidence to suggest the federal government is moving forcefully in these areas. In the area of environmental management in the North, one government official expressed deep skepticism over the probability a policy statement would be forthcoming in the near future.¹⁶⁵ Generally, it appears the report of the task force did little to overcome the inertia of the federal government in developing a comprehensive policy framework for northern

¹⁶²Task Force on Beaufort Sea Developments, op. cit., Appendix I.

¹⁶³Ibid., p.ii.

¹⁶⁴Ibid., pp.31-34.

¹⁶⁵Private Communication.

industrial activity. Thus, despite an explicit effort on the part of the federal government to make some headway on the policy issues raised by hydrocarbon development in the Beaufort Sea region, the Beaufort Sea review is being forced to operate without policy guidance and as a consequence its potential policy-setting role has increased.

Guideline Hearings

During the guideline hearings the need for a policy on the hydrocarbon resources of the Beaufort Sea region was consistently raised and further illustrates the politicization of the process. This issue was viewed as important by many intervenors because the proponents of the Beaufort Sea proposal were basing their scenario and EIS on a development rate that "is considered to be the upper limit of what may be technically achievable."¹⁶⁶ This approach immediately raised the broader policy question of whether such a proposal was consistent with national policy. Should the maximum rate of development be inconsistent with policy then the panel would be assessing a proposal that would probably not come to fruition. Furthermore, the actual impacts on the region could be significantly different than those addressed by the panel should a lower rate of development occur.

The implications of this approach for the review were stated by the Beaufort Sea Research Coalition, (BSRC), a coalition of interest groups:

By assuming an unlimited market capable of absorbing expensive Beaufort Sea oil, Dome, Esso and Gulf have biased their production forecast upward and have thus biased the trade-offs implicit in the environmental and social impact of their activities.¹⁶⁷

In addition, the markets for the oil would also have an effect on the degree and type of environmental impacts of the proposal. Should the market be in eastern Canada, a pipeline south or tanker traffic east and south would be the most feasible transportation route. However, should Beaufort Sea oil be determined surplus to Canadian domestic needs and

¹⁶⁶Dome Petroleum Ltd., Esso Resources Canada Ltd., and Gulf Canada Resources Inc., op. cit., p.12; Government of Canada, Senate, op. cit., No.21, Testimony of Murray Todd, March 31, 1982, p.26.

¹⁶⁷Beaufort Sea Environmental Assessment Panel, op. cit., Calgary, Nov. 27, Beaufort Sea Research Coalition, pp.22-23.

exports allowed, the tanker traffic would probably go west to Japan.¹⁶⁸ The NEP does not state under what conditions exports would be allowed nor what environmental trade-offs would be acceptable for such exports.¹⁶⁹

The lack of an explicit policy framework for the development of Beaufort Sea oil not only raises questions concerning the location, degree and type of environmental impact but broader questions of government policy for the North. This policy vacuum has allowed industry to assume the agenda-setting role. The EIS is being prepared based on a maximum development scenario. Without prior decisions or guidance as to how the Beaufort Sea oil resources fit into the national energy context, there is a danger that the following debate and decisions will be based on a scenario which may not be in the national interest.

The agenda-setting role performed by industry in the Beaufort Sea review became obvious when EMR announced: "The policy framework influencing the timing for initial oil and gas production in the Beaufort Sea region, and the subsequent rate of development will be the subject of a paper to be presented to the panel by EMR."¹⁷⁰ Upon hearing this statement the proponents suggested "it is useful to have discussions to make sure that we complement rather than not complement, or knowingly have different opinions."¹⁷¹ It is interesting to note and illustrative of the overall policy vacuum in the North, that the proponents had been preparing the EIS for one year prior to receiving a public indication from government that a policy framework for their proposal was being developed.

Position Papers

The panel responded to the issue of Beaufort Sea development and the broader policy questions it raises through a request for position papers from various government departments involved in the proposal. Generally these papers were to address how the Beaufort Sea proposal would affect the respective government departments and how the government departments would respond to the Beaufort Sea proposal, as well as outlining the existing mandates and responsibilities of each department.¹⁷²

¹⁶⁸Task Force on Beaufort Developments, op. cit., p. 13.

¹⁶⁹Energy, Mines and Resources, op. cit., p.45.

¹⁷⁰Beaufort Sea Environmental Assessment Panel, op. cit., Inuvik, Nov. 20, Statement of Rothschild, p. 155.

¹⁷¹Ibid., Statement of J. Lee, p. 163.

¹⁷²Beaufort Sea Environmental Assessment Panel, "Guidelines for the Preparation of

For the specific issue of the relationship between Beaufort Sea oil production and the national energy context, the panel made specific requests to DIAND and EMR. For DIAND, the need for Beaufort Sea development on a local, regional, territorial, and national basis was to be discussed.¹⁷³ The panel requested nine specific items from EMR, three of which address the Beaufort Sea proposal in relation to; other energy developments in Canada, the NEP, and petroleum export policy.¹⁷⁴

The panel was unable to receive specific policy guidance through these position papers. EMR stated in its submission:

Issues related to energy export policy, relative importance of Beaufort Sea oil, financial benefits, etc., are part of the larger picture of energy policy of which many components await evaluation, discussion, and decision.¹⁷⁵

Consistent with this position, DIAND stated:

...the need, timing and priority for northern hydrocarbon production, particularly Beaufort Sea oil, and the economic feasibility of developing such northern reserves relative to other supplies has not yet been established. No government decisions have been made as to how or when hydrocarbon production and transportation will begin in the Beaufort Sea region.¹⁷⁶

Thus, similar to the Task Force on Beaufort Sea Developments, the Beaufort Sea panel was unable to mobilize the policy process and receive the policy guidance it requested.

Despite the lack of decisions and policy alluded to by both EMR and DIAND, EMR

¹⁷²(cont'd) Government Position Statements: Beaufort Sea Hydrocarbon Production Proposal", (Ottawa: FEARO, February 1982). The panel was directed in its terms of reference to address government preparedness to deal with the emerging developments.

¹⁷³Beaufort Sea Environmental Assessment Panel, "Request to the Initiator (DIAND): Beaufort Sea Hydrocarbon Production Proposal".

¹⁷⁴Letter John Tener, Chairman, Beaufort Sea Environmental Assessment Panel, to M.A. Cohen, Deputy Minister, Energy, Mines and Resources, February 25, 1982. For a criticism of the specifics of this request see: Beaufort Sea Research Coalition, "Comments on: Guidelines for the Preparation of an EIS: Beaufort Sea Hydrocarbon Production Proposal", mimeo, April, 1982.

¹⁷⁵Energy, Mines and Resources, "Background Paper", Submitted to the Beaufort Sea Environmental Assessment and Review Panel, Nov. 4, 1982, p. 1.

¹⁷⁶Department of Indian Affairs and Northern Development, "Statement to the Beaufort Sea Environmental Assessment Panel", Oct. 29, 1982, p. 9.

also asserted the review was not being conducted in a 'policy vacuum'.¹⁷⁷ However, it would appear EMR is also hoping the review will act as a policy-setting forum to some degree when the department stated:

It is difficult for EMR to state a position at the *front end* of this review process on an optimum rate of development¹⁷⁸

The implication of this statement being that out of the review will emerge the necessary information and context for such a decision.

The use of government position statements as an attempt to resolve some of the policy issues indicates a major change in the EARP. The operational policy of EARP states the initiating department, not the project proponent, is responsible for the content of the EIS.¹⁷⁹ However, the panel appears to be explicitly recognizing that the initiating department (DIAND) is not being made responsible for the EIS. Therefore, an alternative procedure, such as government position statements, has been developed for this environmental decision-making process to interface with government. In attempting to deal with some overarching policy issues, the panel and FEARO have signalled a change in approach for EARP.¹⁸⁰

Additionally, the panel's attempt to receive policy guidance on the Beaufort Sea proposal and the national energy context illustrates the potential for a lack of coordinated policy response to Beaufort Sea development. The timing of the position papers paralleled the timing of the submission of the EIS. For industry, it is being asked to formulate the EIS without prior knowledge of the government's policy in many areas. For government, sixteen departments and agencies are submitting position papers, many of which address some policy issues, without prior coordination. The panel had requested that these position statements be coordinated through the Senior Policy Committee for Northern Development Projects. However, this committee has met only intermittently in

¹⁷⁷Energy, Mines and Resources, op. cit., p. 1.

¹⁷⁸Ibid., p.29, emphasis added.

¹⁷⁹FEARO, *Revised Guide to the Federal Environmental Assessment and Review Process*, p.5.

¹⁸⁰FEARO officials indicated government position statements will likely be used in future panel reviews. Private Communication.

the past and has not witnessed the necessary commitment from important government departments that would result in effective coordination.¹³¹ The panel is becoming the policy-setting forum by bringing together in one review the potentially diverse approaches to northern hydrocarbon development of two important actors; industry and government.

At the operational level, the net result for the environmental decision-making process will be an increase in the streams of information for the review. A number of these streams will be mis-timed, such as the EIS and the position statements, or they may be uncoordinated as most of the government position statements appear destined to be. This problem was appreciated by one panel member:

It is a chicken and egg situation, each department it appears, is attempting to do something in the area; the panel is attempting to put out a set of draft guidelines and make some recommendations; and all of us seem to be in the dark, one from another, as to what is going to happen in each department.¹³²

Although the panel has attempted to have a policy framework established for its review, the methodological approach and the failure of the government to develop a single, comprehensive policy response will result in a continuing vague policy framework and force the panel to assume a policy-setting function.

To What End?

A major problem raised by many intervenors in the Beaufort Sea review was the uncertainty concerning the decision-making framework that would guide future industrial activity in the region and uncertainty over how this review related to other decision-making processes being applied in the North. This concern was not only expressed by interest groups¹³³ but also some government departments.¹³⁴ It would appear

¹³¹Private Communication. Discussed further in Chapter IV.

¹³²Beaufort Sea Environmental Assessment Panel, *Draft Guideline Meetings*, (Transcripts), Yellowknife, Nov. 25, 1981, Statement by Lueck, p.28.

¹³³Ibid., Calgary, Nov. 27, Beaufort Sea Research Coalition, pp.25-41; Whitehorse, Nov. 23, Yukon Conservation Society, pp.129-135; Yellowknife, Nov. 25, Dene Nation and Metis Association, pp.87-97.

¹³⁴Ibid., Inuvik, Nov. 20, DOE, pp.173-174; DFO, p.196.

this concern is partially the result of the uncertain nature of the development proposal by industry. Few design details have been developed. In fact, delineation of the reserves of the Beaufort Sea to date has not demonstrated the existence of a commercial reserve. The Beaufort Sea review, then, is a 'concept' review; not a project or even a proposal review. This uncertainty not only increased the politicization of the review to the extent that the credibility of the review came into question but also forced the panel to assume a policy-setting function.

Purpose

Essentially the uncertainty over the proposal and the decision-making framework can be reduced to one important question: What is the purpose of the review? Initially, industry saw the review as part impact assessment and part regional planning.¹¹⁵ The terms of reference provide a mandate for the panel and the scope of the review in general terms but do not state the purpose of the review. The uncertainty over the proposal and the purpose of the review creates two problems for the Beaufort Sea review:

1. Where is the review being asked to start; regional planning, concept review, or project review?
2. How far into the decision-making process will this review go?

For example, would the review be the only EARP applied in the Beaufort Sea and consequently provide a regional clearance for all hydrocarbon activity?¹¹⁶ The panel found it difficult to respond to this issue. In its interim report the panel states: "There was some confusion over what the panel was reviewing, that is to say, is it a concept, a preliminary plan, a proposal or a regional plan." The panel goes on to say the proposal is "beyond the concept stage but not yet at the detailed design stage."¹¹⁷

¹¹⁵Dome Petroleum Ltd., Esso Resources Canada Ltd. and Gulf Canada Resources Inc., op. cit., p.2.

¹¹⁶Beaufort Sea Environmental Assessment Panel, op. cit., Calgary, Nov. 27, Beaufort Sea Research Coalition, pp. 12-13; Department of Environment, "Environment Canada's Proposed Response to Beaufort Sea Hydrocarbon Production Proposal", Submission to the Beaufort Sea Environmental Assessment Panel, July 1982, p.35; Environment Canada, "Opening Statement: Beaufort Sea Environment Impact Statement Guideline Hearings", Inuvik, Nov. 20, mimeo, p.8-9.

¹¹⁷Federal Environmental Assessment Review Office, *Beaufort Sea Hydrocarbon*

However, the panel does *not* state explicitly what it is reviewing and the objective of its review. It implicitly admits there is an objective by stating the review will *not* result in an approval-in-principle.¹⁸⁸

Part of the uncertainty over the decision-making process to be applied in the Beaufort Sea region is in response to uncertainty in the sectoral policy framework; in particular DIAND's land use planning policy proposal. As stated previously, this policy has been announced but not yet implemented. In its submission to the panel, DIAND asked the panel to be aware of the planning process that was intended for the region so that the "two processes (could be) planned in a mutually supportive way in order to avoid confusion and/or duplication."¹⁸⁹ Furthermore, DIAND suggested an interim regional plan would be ready by the end of 1982.¹⁹⁰ Although a planning process is intended for the region, the uncertain timing of the process raised concerns that the Beaufort Sea review would be a continuation of conducting impact assessments without a regional planning context.¹⁹¹

The panel asked the Assistant Deputy Minister, Northern Programs, DIAND, to elaborate on how the two processes would be integrated. However, the Assistant Deputy Minister was unable to provide a clear explanation.¹⁹² In its "Request to the Initiator" the panel again asked DIAND to discuss how the planning process including public participation, should interact with the panel's review.¹⁹³ This uncertain policy framework for decision-making in the Beaufort Sea region has created two problems for the review. First, the panel does not know how broad its review should be. Should the panel attempt *de facto* regional planning?¹⁹⁴ Second, DIAND's statement to the panel elaborating the relationship between the Beaufort Sea review and the planning process will come just

¹⁸⁷(cont'd) *Production Proposal: Interim Report of the Environmental Assessment Panel*, p.4.

¹⁸⁸*Ibid.*

¹⁸⁹Beaufort Sea Environmental Assessment Panel, op. cit., Yellowknife, Nov. 25, DIAND, p.23.

¹⁹⁰According to a DIAND official the interim land use plan is not anticipated before March 1983. This same official felt this deadline was overly optimistic.

¹⁹¹Beaufort Sea Environmental Assessment Panel, op. cit., Calgary, Nov. 27, Dene Nation and Metis Association, p. 118; Beaufort Research Coalition, p.31.

¹⁹²Beaufort Sea Environmental Assessment Panel, "Minutes of Meeting with Neil Faulkner, Assistant Deputy Minister, Northern Programs", DIAND, Dec. 7, 1981.

¹⁹³Beaufort Sea Environmental Assessment Panel, "Request to Initiator, (DIAND): Beaufort Sea Hydrocarbon Production Proposal", p.2.

¹⁹⁴It was generally agreed in the interviews conducted by the author that EARP in the past has performed *de facto* regional or land use planning.

prior to the panel's final hearings. The panel may find it difficult to address issues that arise when the relationship is made more clear because of the momentum of the process which at that point would have completed the task of compiling the information for the review.

The problem over the purpose of the Beaufort Sea review is partly in response to the lack of clear policy on environmental decision-making processes. Previously it was argued that the past experience of EARP has been characterized by flexibility in its application. While this flexibility had advantages for adjusting the process to the issue at hand, it also creates confusion when the issue at hand departs significantly from past experience. Traditionally EARP has been used to assess projects. According to industry, the Beaufort Sea Hydrocarbon Production Proposal is a plan. The lack of policy guidance and past experience of EARP in reviewing a 'plan' makes the process, as it is applied in the Beaufort Sea region, unclear. The lack of clear policy on EARP and the decision-making process to be applied generally, has resulted in the panel being requested, through the terms of reference to make recommendations concerning future public reviews that should be applied in the Beaufort Sea region.¹⁹⁵

The Beaufort Sea review is being employed as a policy-setting forum for the environmental decision-making process policy in the region. The federal government's policy stance toward environmental decision-making processes in the Beaufort Sea region is reactive. The government will react to the Beaufort Sea review and then decide the future course of environmental decision-making. This lack of clear policy guidance in the application of EARP has increased the agenda-setting role of industry in the review. With no purpose to the review being explicitly stated, industry is formulating the EIS according to its own perceptions of what the review should accomplish.

Disjointed Decision-Making

The second issue involving the uncertainty of the review is its relationship to decision-making processes in other regions of the North. In particular, questions were raised concerning the relationship of the Beaufort Sea review to the Green Paper exercise

¹⁹⁵Letter John Roberts, MOE to Dr. John Tener, Chairman, Beaufort Environmental Assessment Panel, June 14, 1981, "Terms of Reference", attached.

being conducted in the Lancaster Sound region and the status of the Arctic Pilot Project.¹⁹⁶ The terms of reference advise the panel it "should be aware of the Lancaster Sound Green Paper exercise and previous EARP reviews such as the Arctic Pilot Project and Norman Wells Pipeline."¹⁹⁷ However, the guideline hearings indicated the panel was uncertain over the relationship between its review and these other processes.

The Arctic Pilot Project is a proposal by a group of companies (including one of the proponents of the Beaufort Sea proposal, Dome Petroleum Ltd.) for year-round shipping of liquified natural gas in ice-breaking tankers through part of the Northwest Passage. This project is a 'demonstration' project to test the feasibility of ice-breaking tankers in the high arctic. Although this demonstration project is not intended to commence before 1986, Dome Petroleum Ltd. in the Beaufort Sea proposal has suggested it also wants to utilize ice-breaking *oil* tankers in the same year.¹⁹⁸ The Arctic Pilot Project was given conditional environmental approval, in part, because it was a feasibility project and would provide both scientific knowledge and practical experience for operating in the high arctic. Dome's proposal to ship oil along the same route as the Arctic Pilot Project before the results of this project has created a problem for the Beaufort Sea panel. How can the Beaufort Sea panel assess and make recommendations on a proposal prior to the completion or commencement of the demonstration project? The politicization of the review raised by this issue was such that the credibility of the process has been questioned. According to the panel's own interim report: "This issue has resulted in the credibility of the Panel and the Environmental Assessment and Review Process in general being brought into question by the public."¹⁹⁹

Consistent with panel's previous responses to policy issues raised, the response of the panel to this issue was ambiguous. The panel said it will review the effects of ice-breaking oil tankers through the Northwest Passage. However it goes on to say: "shipment of oil through the Northwest Passage to markets should not be permitted until

¹⁹⁶Beaufort Sea Environmental Assessment Panel, *Draft Guideline Meetings*, (Transcripts), Calgary, Nov. 27, Beaufort Sea Research Coalition, p.31; Kadlum and Thompson, pp. 155-167; Pangnirtung, Dec. 4, Baffin Region Inuit Association, p.9.

¹⁹⁷Letter John Roberts, MOE to Dr. John Tener, Chairman, Beaufort Sea Environmental Assessment Panel, June 14, 1981, "Terms of Reference", attached, p.3.

¹⁹⁸Dome Petroleum Ltd., Esso Resources Canada Ltd., and Gulf Canada Resources Inc., op. cit., pp.18-21.

¹⁹⁹Federal Environmental Assessment Review Office, op. cit., p.7.

more information, as identified in the Arctic Pilot Project Environmental Assessment Panel report, is available...." The panel then goes on to say that in order "(t)o better understand (the relationship between the Beaufort Sea review and the A.P.P.), the Panel has asked DIAND to discuss (this) in its position statement...."²⁰⁰ Here the panel is proposing to assess a transportation route about which *a priori* it has stated there is not enough information for assessment at the present time based on the findings of a previous EARP panel. Furthermore, the panel indicates it is unclear how this associated project affects the Beaufort Sea review in any case through its request to DIAND for clarification.

A similar problem arose in reference to the green paper exercise. The green paper exercise is intended to "lay the groundwork for comprehensive resource land-use planning" in the Lancaster Sound region.²⁰¹ The shipping component of the Beaufort Sea proposal would involve oil tanker traffic through this region. Once again the Beaufort Sea panel is being asked to make recommendations concerning an aspect to its review prior to the completion of the environmental decision-making process that is intended to lay the groundwork for future decision-making processes such as the Beaufort Sea review. The panel responded to this issue by requesting DIAND provide guidance to the panel in its submission to the panel.

These two issues raised in the Beaufort Sea review indicate a continuation of an *ad hoc* policy toward environmental decision-making processes in the North. Each process must discover for itself how it fits into the overall decision-making framework being applied in the North. No policy guidance has been provided that would attempt to coordinate and integrate the various decision-making processes being applied. This problem becomes especially critical when hydrocarbon 'development' activity is being proposed because of the potentially far-reaching impacts of this phase of activity.

²⁰⁰*Ibid.*

²⁰¹Government of Canada, Senate, op. cit., No. 31, Testimony of Neil Faulkner, Assistant Deputy Minister, DIAND, June 22, 1982, p.9.

Summary

As illustrated by the land claims issue and the relationship of the Beaufort Sea review to the other decision-making processes being applied in the North, this environmental decision-making process is highly politicized. The panel's response to such issues is typically ambiguous or evasive. When the panel does attempt to address a policy issue, such as northern hydrocarbon policy, it is unable to mobilize the policy process sufficiently to receive clear policy guidance. The panel's inability or unwillingness to deal effectively with policy issues is also indicated by its very restrained and narrow requests for changes to its terms of reference,²⁰² despite the clear option to make such requests.

This discussion has argued that the lack of an interpretive policy framework has important implications for the operational dimension of the Beaufort Sea review. The reasons for both the lack of an interpretive policy framework and the panel's inability to redress this problem will be examined in the following chapter.

D. The Green Paper Exercise

The green paper exercise was also affected by the framework of public policies. First, the politicization of the green paper exercise, as a result of the uncertain policy framework, was most strongly evidenced in the debate over the exercise's general purpose or objective and the methodology that would lead to this end. For the green paper exercise the politicization of the process and its uncertain objective were inexorably connected. Second, as the green paper exercise was implicitly intended to lead eventually to a policy decision, its policy-setting role was hampered by the failure to recognize the minimal policy framework presently guiding northern industrial activity. The combination of uncertainty over the purpose of the exercise and the failure to employ the present policy framework as a starting point for further policy development caused the green paper exercise to lack direction and conclusiveness.

²⁰²Federal Environmental Assessment Review Office, *op. cit.*, p.9.

To What End?

Discussion of the green paper exercise must begin by examining the purpose of the process. The EARP panel reviewing the proposal to drill in Lancaster Sound concluded it lacked the necessary context to make a recommendation on the proposal.²⁰³ The panel stated it needed a prior decision by government concerning the 'best use(s)' of the Sound before a recommendation concerning the proposal could be made. For the panel there was a "fundamental question of whether there should be hydrocarbon (activity) at all in Lancaster Sound..."²⁰⁴ The exercise, then, was an attempt to provide this context.

Although the green paper exercise is often labelled a regional planning exercise, initially it was intended to provide a policy discussion on the future of the region. However, the policy issues under discussion were not narrowed or well-defined with the result that, as the exercise proceeded, the issues under consideration expanded. From a 'best use' survey the green paper exercise, early in the process, also began to consider options for management.²⁰⁵ Thus, in addition to 'what should we do' the green paper exercise would attempt to address 'how should we do it'. This expansion of the discussion and/or purpose of the exercise appears to have continued with the *draft* version of the green paper which posed the question: "What do you believe would be our best plan for the Lancaster Sound region?"²⁰⁶ In addition to development options and management options the green paper was also asking for a general plan, apparently either prior to, or concurrent with the discussion of the more fundamental policy issues involving management and development options.

In proposing to develop management options in its search for the best use for Lancaster Sound, the green paper was attempting to develop a criterion that could be used in making trade-offs between environmental considerations and industrial activity. Such management options would put substance into the environmental contingencies of the policy framework governing northern industrial activity. These management options would attempt to balance the asymmetrical policy framework in place in the North, which is presently more explicit and specific on industrial activity than on environmental protection.

²⁰³Federal Environmental Assessment Review Office *Lancaster Sound Drilling: Report of the Environmental Assessment Panel*, No.7, p.73.

²⁰⁴*Ibid.*

²⁰⁵Lancaster Sound Regional Study, "Newsletter #1", undated.

²⁰⁶Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Draft Green Paper*, p.1.

Despite the prior statement concerning management options the draft version of the green paper did not propose any management options. Instead, it concentrated on development options by posing four questions:

1. Should new major industrial development be deferred until safer technology and greater understanding of environmental, social and economic relationships are understood?
2. Should parks and reserves be formally designated before industrial development is allowed?
3. Should shipping be expanded at this time to include year-round transportation of oil and gas?
4. Should there be a determined program to explore and develop the resources of the Lancaster Sound region?²⁰⁷

For the most part these questions focus on broader policy questions without recognition of the management objectives or principles in each option.

Final Green Paper

The lack of clarity in the purpose of the green paper exercise is indicated by the three distinct topic areas the *final* version of the green paper presents for discussion.²⁰⁸ First, the final green paper proposes six options for the future use of Lancaster Sound. These options are, essentially, very general policy options for the future development of the region. Second, the final green paper also proposes seven management principles to guide future decision-making in the region. These principles are a criterion for future decision-making. Finally, the final green paper proposes two regional planning processes; the second of which is contrary to the previously announced land use planning process policy.²⁰⁹ By proposing development options, management options, and decision-making processes, the green paper exercise diffused the process of reaching a consensus on the best plan for the Lancaster Sound.

²⁰⁷Lancaster Sound Regional Study, op. cit., pp.83-90.

²⁰⁸Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Green Paper*, pp.24-29; pp.36-43.

²⁰⁹Ibid., p.40.

The indiscriminate use of these three distinct but interrelated objectives illustrates a lack of clear policy guidance concerning what was needed in Lancaster Sound and what priority should be established in pursuing the objectives. This lack of clear policy guidance concerning the purpose of the green paper exercise was noticed by both the GNWT and CARC. According to the GNWT: "What started out as a Lancaster Sound Best Use Survey, and became a Lancaster Sound Regional Study, now seems destined to become a Lancaster Sound Regional Plan."²¹⁰ CARC observed: "What obviously began as a rather limited policy development exercise has quite correctly blossomed into a regional planning exercise."²¹¹ The evolution of the exercise toward a regional planning process was also recognized by some DIAND officials.²¹²

Methodology

The uncertainty over the purpose of the green paper exercise was reflected in the methodology of the exercise. A green paper exercise is a discussion exercise. However, the federal government expanded the discussion by releasing two green papers: a draft version and a final version. A draft version of the green paper was written and released in order to get some direction for the process and respond to pressure for action from higher levels of the bureaucracy and the public.²¹³ This explains the redundancy of releasing a draft version of a discussion document.

A second methodological issue was the lack of a clear timeframe for the exercise. With no policy or operational procedures, the green paper exercise expanded from a proposed six month timeframe to a timeframe that exceeded three years. The initial six month period proposed for the study was selected so that a regional planning policy could be in place before decisions on the Arctic Pilot Project and Petro Canada's intended application to drill in the eastern portion of the Sound were made. The timeframe was expanded when "it became apparent that the task involved in collating and analyzing

²¹⁰Government of the Northwest Territories, "Position of the Government of the Northwest Territories", Lancaster Sound Regional Study, Southern Workshop, Ottawa, May 25-27, 1981, p. 1; Open file of submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

²¹¹D. Gamble "Lancaster Sound 1980-2000: Workshop Overview", Carleton University, Ottawa, May 25-27, 1981, p. 1; Open file of submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

²¹²Letter B. Waddell, DIAND to D. Bissett, DIAND, June 5, 1981.

²¹³Private Communication.

available knowledge on Lancaster Sound and, ...in ensuring effective public participation...would require a period of 18 months."²¹⁴ It should also be noted that Petro Canada deferred their drilling application in the early stages of the exercise when the company became more interested in their east coast properties. The effect of this deferral on the timing of the green paper exercise is a matter for conjecture. However, it is clear that the exercise did lose some impetus when imminent industrial activity in the region was deferred.²¹⁵

In addition to the problems with the purpose and timing of the green paper exercise there was also an unclear decision-making component. Although a green paper exercise is designed primarily as a discussion exercise, implicit in the process is an eventual decision or groups of decisions. Initially, the green paper exercise was to culminate in the submission of the green paper document for Cabinet consideration. The intended response by Cabinet to the document was never made clear. Statements by senior government officials suggested some firm decisions would result. Dr. Maurice Ruel, the chairman of the Steering Committee for the exercise, was quoted as stating: "When the Green Paper exercise is finalized, the options will be identified and the choices will be made."²¹⁶ In one of the newsletters released by the Working Group responsible for the exercise it was suggested a decision by Cabinet would be forthcoming after the final public consultation.²¹⁷ The final green paper does not mention a decision by Cabinet concerning the results of the exercise. Instead the momentum of the exercise is now reliant on the federal government making a number of associated policy decisions.²¹⁸ The uncertain decision-making component to the green paper exercise is a further indication of uncertainty over the purpose and the process of the green paper exercise.

The lack of policy guidance for the green paper exercise was noted early in the process by one observer in a letter to the manager of the Working Group:

One part of your program that I find puzzling is the huge effort that you will be

²¹⁴Herman J. Dirschl, "The Green Paper on Lancaster Sound: A New Approach to Northern Planning", *Proceedings of the Ninth Environmental Workshop on Offshore Development*, p.258.

²¹⁵Private Communication.

²¹⁶*Igalaaq*, 3:5(March 1981), p.2.

²¹⁷Lancaster Sound Regional Study, "Newsletter #4".

²¹⁸Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Green Paper*, pp.44-45.

making to collect and communicate information about the Sound, but the apparent absence of any clear framework for planning and decision-making, including the identification of the major questions that must be addressed and the mechanisms for their resolution.²¹⁹

The reasons for this lack of policy guidance are difficult to pinpoint. First, the green paper exercise is an *ad hoc* response to the EARP panel's recommendation. Green papers are not a well defined or often used device by government. From the outset, then, there was a lack of established policy to guide the process. Although this lack of policy guidance provides the process with a certain degree of flexibility, such flexibility is only advantageous if a clear statement of purpose and methodology is made at the outset. Second, and partly the result of an initial lack of guidance inherent to green paper exercises, there appears to have been general uncertainty over the final product of the exercise. Third, there may have been a lack of resolve to keep the process on track and conclusive. Finally, there may have been a deliberate attempt by senior government officials to allow the process to wander in order to limit the impact of the process on future decision-making in the Sound. Notwithstanding these questions, the lack of focus to the green paper exercise was clearly the result of the lack of clear policy guidance to the process from the outset.

Policy Setting

The second policy related problem for the green paper exercise was its failure to take direction from the existing framework of public policies and programs for northern activity. Consequently, in attempting to lead towards the formulation of a policy for development in the Lancaster Sound region, the policy-setting function of the process was impaired. The failure to take such guidance as was available from existing public policies is most clearly illustrated by the nature of the questions posed in the draft version of the green paper and the options suggested in the final green paper.

²¹⁹Letter B. Wiseman, Director, School of Community and Regional Planning, University of British Columbia, to Herman Dirschl, DIAND, Dec. 3, 1980; Open file of submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

The draft green paper failed to reflect the existing policy framework on two counts. First, it assumed in some instances that the decision-making spectrum for the green paper exercise was not limited. Some of the questions posed in the draft green paper are redundant. For example, the draft green paper asks: Should shipping be expanded at this time to include year-round transportation of oil and gas?²²⁰ This question had been asked previously to the EARP panel examining the Arctic Pilot Project and was therefore to be answered in this forum. Second, the draft green paper did not attempt to place the hydrocarbon resources of Lancaster Sound in the national energy context. Despite the fact that the green paper exercise was in response to an issue raised by Canada's search for new energy supplies, the draft green paper almost ignores the question of the role the hydrocarbon potential of the Sound is to play in Canada's search for energy self-sufficiency. It assumes Lancaster Sound oil and gas would contribute to Canada's energy self-sufficiency but ignores the alternatives for achieving self-sufficiency. The draft version of the green paper made no attempt to reconcile regional development with the larger goals of national policy.

In the final green paper a number of options suggested ignore the policy framework that has already been established for the North. The options can be summarized as follows:

1. No new development
2. Protection of the environment and biological resources before resource use projects are permitted
3. Development of renewable resources only
4. Use of the Sound as a year-round shipping route
5. Balanced development between renewable and non-renewable resource development
6. Non-renewable resource development²²¹

After laying out these options the final green paper then goes on to outline the policy

²²⁰Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Draft Green Paper*, p.88.

²²¹Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Green Paper*, pp.24-29.

framework guiding northern development. However, if the policy framework guiding northern development is taken as a starting point, then options #1 and #6 can be almost immediately discarded, with option #5 emerging as the most likely choice consistent with the present policy framework. Had the process taken the policy framework more into account initially, the green paper exercise might have provided an elaboration and refinement of option #5 in more specific terms and led further down the road to establishing a planning context for Lancaster Sound. The failure to build upon the existing policy framework is another example of the general uncertainty that plagued the green paper exercise from the outset.

The green paper exercise lacked the impetus to perform a policy-setting function. The absence of impetus is the result of ineffective agenda-setting by the government for the process. There appears to have been only a vague perception on the part of government of the type of process and the product needed on the Lancaster Sound region. As industry's immediate interest shifted to other regions of Canada, the process lost its only other agenda-setting agent. Without agenda-setting, the process became inconclusive. This inconclusiveness points to a basic policy inertia within the federal government. When there is no compelling need to reach decisions on the future of a region in the North, no policy guidance is provided to the environmental decision-making process.

The lack of conclusiveness of the Green Paper suggests that the process leading to the production of a firm policy on Lancaster Sound will take so long that Ottawa will have made several crucial decisions before the policy intended to guide these decisions is in place.²²²

Summary

The policy dimension of the green paper exercise significantly affected the impact of this process on decision-making in Lancaster Sound. The combination of a lack of agenda-setting either through a proposal for industrial development or clear policy

²²²Dacks, op. cit., p.189.

guidance concerning the process caused the exercise to lose focus. Second, the uncertain decision-making component to the process, which was a result of overall uncertainty in the operation of the process meant this broad environmental decision-making process would not become the policy-setting forum it was initially intended to be. The ramifications of this process on the future directions for industrial activity is limited. The process was unable to perform a policy-setting function and is inconclusive.

The conclusiveness and the eventual success of a proactive environmental decision-making process would appear to be determined by two factors. First, the agenda of the process needs to be clearly set out prior to the process beginning. The green paper exercise suffered from the outset because its agenda was not sufficiently delineated through a clear statement of aims and objectives. Second, the process must conform to the policy framework presently in place that shapes northern development if progress and elaboration of this framework is to be achieved.

E. Conclusion

It has been argued in this chapter that both environmental decision-making processes under consideration here have lacked policy guidance. The policy framework that guides both processes is either vague or deficient in certain important aspects. The lack of policy guidance becomes critical when the environmental decision-making process is structured as a proactive process. Both the Beaufort Sea review and the green paper exercise are attempting to reach conclusions and decisions concerning anticipated activity. Because of the potentially long-lasting consequences of these decision-making processes, the pressure on the processes to consider the overall policy framework shaping future industrial activity increases. As a consequence both processes become highly politicized.

The highly politicized nature of environmental decision-making processes, especially when they contain a proactive dimension, leads to uncertainty over the final product of the process. Both environmental decision-making processes under examination here either lack clear direction or lack an explicit, specific purpose. Without

such direction and clear purpose, which would also include how the various decision-making processes related to the overall decision-making framework in the North, there will be a continuation of a disjointed, fragmented use of environmental decision-making processes in the North.

From the vague framework of public policies and the uncertainty over the final product of these processes comes pressure for the processes to either explicitly, as in the green paper exercise, or implicitly, as in the Beaufort Sea review, assume a policy-setting function. In attempting to perform this proactive policy-setting function a critical aspect emerges; agenda-setting. In the Beaufort Sea review, the agenda-setting function has been left to industry. This has provided the process with impetus and forced the process to attempt to deal with the lack of an interpretive policy framework. Paradoxically, industry's agenda-setting role has resulted in a 'reactive' component to this, otherwise, proactive process. The green paper exercise lacked agenda-setting. The federal government was unable or unwilling to develop a clear specific agenda for the exercise. This failure suggests the future of proactive environmental decision-making processes will be closely tied with industry's plans for activity and, consequently, contain a reactive and possible crisis management aspect.

The explanation for this policy inertia on the part of the federal government has only partially emerged from the discussion in this chapter. An important factor contributing to this policy inertia would appear to be the unresolved overarching political issues in the North. Questions concerning land claims and devolution of political authority to the GNWT serve to slow or subvert the policy process. The lack of a stable political base makes policy-making a difficult task. This factor has been compounded by an apparent inability or unwillingness by the federal government to perform a lead function in the development and coordination of policy. This failure was briefly suggested by the failure of the Senior Policy Committee for Northern Development Projects to become a policy coordinating mechanism for the Beaufort Sea review and the lack of agenda-setting by the government in the green paper exercise. Thus, the policy process also appears to contribute to the lack of policy guidance for environmental decision-making processes. The policy process receives closer examination in the following chapter.

IV. INTERGOVERNMENTAL AND INTRAGOVERNMENTAL RELATIONS

The relationships among the various governmental actors play an important role in shaping the federal government's approach to environmental decision-making processes as they represent a significant aspect of the institutional setting. Although it has been previously argued the overarching political issues concerning the North are important factors contributing to the lack of an interpretive policy framework, a more detailed discussion of the bureaucratic relationships reveals the difficulty of developing such a policy framework. In a broader study of the Canadian experience, R. Brian Woodrow argues; "governmental response to natural resources and environmental issues and the development of national policy have been much constrained by the divided jurisdictions between ... governments and the fragmentation of administrative responsibility among different departments and agencies."²²³ For the North in particular, the fragmentation of governmental authority is critical to understanding the government's approach to environmental decision-making processes.

This fragmentation of governmental authority has resulted in a highly politicized bureaucratic environment. In addition to the broader institutional issues raised by land claims and revenue sharing, the present bureaucratic relationships have compounded the institutional instability and uncertainty. This institutional instability and uncertainty undermines the capacity of the policy process to provide policy guidance to environmental decision-making processes. At the operational level there is a lack of coordinated government input into the processes and a lack of government leadership for the processes. Consequently, governmental actors are unable to develop a focus for the processes which, in turn, suggests attempts at proactive decision-making will be unsuccessful.

²²³R. Brian Woodrow, "Resources and Environmental Policy-Making at the National Level: The Search for Focus", *Resources and Environment: Policy Perspectives for Canada*, O.P. Dwivedi, ed., p.43.

A. Bureaucratic Mandates and Relations

Before proceeding to a discussion of the effect of the fragmentation of governmental authority on environmental decision-making processes, it is necessary to sketch the various departmental mandates and briefly describe the bureaucratic relationships. Not only do the formally designated departmental mandates provide a basis for bureaucratic behavior, the informal relationships among the various government departments serve to guide bureaucratic behavior. In order to sketch the bureaucratic environment which shapes the behavior of the various government agencies, it is not necessary to examine all of the possible departmental interests. Instead, four primary governmental actors relevant to this study have been chosen for discussion; DIAND, EMR, GNWT and DOE/FEARO. In addition to these actors the Department of Transport (DOT), and DFO also play important roles; however they will not be directly examined in this section.

Department of Indian Affairs and Northern Development

DIAND's mandate in the North has been compared to 'province-like' jurisdiction.²²⁴ This mandate is drawn from such legislation as the *Department of Indian Affairs and Northern Development Act*, *Territorial Lands Act*, *Land Titles Act* and *Arctic Waters Pollution Prevention Act*.²²⁵ The basis to much of DIAND's legislated mandate falls under the heading of 'general' responsibility. DIAND is responsible for those matters not assigned to other departments and is responsible for coordinating federal activities in the North.²²⁶ In addition, DIAND exercises general authority over the control, management and administration of northern lands.²²⁷ While the dominant government department, DIAND's legislative mandate does not provide the department with final authority over all matters

²²⁴Edgar Dosman, *The National Interest: The Politics of Northern Development, 1968-1975*, (Toronto: McClelland and Stewart, 1975), p.3; Robert F. Keith, David W. Fischer, Colin E. De'Ath, Edward J. Farkas, George R. Francis, and Sally C. Lerner, *Northern Development and Technology Assessment Systems*, p.61.

²²⁵For a more complete list of DIAND's legislative mandate in the North, see; Department of Indian Affairs and Northern Development, "Statement to the Beaufort Sea Environmental Assessment Panel", October 29, 1982, Annex 1.

²²⁶Department of Indian Affairs and Northern Development, "Brief to the Special Committee of the Senate on the Northern Pipeline", June 22, 1982, p.2.

²²⁷Minister for Indian Affairs and Northern Development, "Discussion Paper: Northern Land Use Planning", July 1981, p.2.

relating to the North. Consequently, departmental administration in the North becomes more complex as a number of other departments have important responsibilities.

Just as a provincial government must coordinate and integrate the various interests of its departments, DIAND is faced with the task of coordinating and integrating a diverse set of federal departmental interests and mandates in the North. For example, in the area of environmental protection, the mandates of DOE and DFO limit the ability of the Northern Environment Branch of DIAND to move arbitrarily in most areas concerned with environmental protection. Similarly, the mandate of EMR and its present position as a strong government department limits DIAND's role in hydrocarbon development. Underlying these bureaucratic relationships in Ottawa is DIAND's relationship with the increasingly sophisticated territorial governments. As a result, decision-making over specific issues typically involves many more government departments than DIAND. DIAND's ability to provide coordination and integration of the diverse departmental interests can become dependent on the bureaucratic politics of the day. Although complaints are often directed at DIAND for its failure to provide leadership and coordination, DIAND is often the scapegoat for frustration with a highly complex policy-making process and decision-making system.

Compounding the coordination of the various departmental interests and mandates is the problem of coordination within DIAND itself.

Because of DIAND's varied and far-reaching responsibilities, ...the pursuit of some objectives eventually came into conflict with others. For example, while a rapid pace of resource development was encouraged by the Northern Development Branch of DIAND, the Indian Affairs section under the same minister had the responsibility as guardian of the native people. In the absence of consultation, close coordination and cooperation, the efforts of the two branches could and did, come into conflict... Partly because of the growing internal disharmony, DIAND was unable to lead in the development of comprehensive and mutually acceptable policies for the north.²²⁸

This internal division within DIAND was likened to a war by the present Minister: "so this war within the bosom of one department, is carried on day to day, month to month,

²²⁸J.C. Stabler and M.R. Olfert, "Gaslight Follies: The Political Economy of the Western Arctic", *Canadian Public Policy* 6:2(Spring 1980), p.378.

incessantly, to the point that it's an integral part of (the) mandate the department has."²²⁹ DIAND, then, must coordinate not only the policy and programs of a number of other departments but because of its own diverse policy and program responsibilities, the department is faced with the not insignificant task of coordinating its own policies and programs.

DIAND is a very large, diverse department. The size and diversity of the department has recently resulted in some changes within the department. A gradual shrinking of some of DIAND's responsibilities has contributed to an attempt by the department to retrench its role in the North. In 1979, Parks Canada was transferred from DIAND to DOE. Similarly, in 1982 the oil and gas management functions of the department were transferred to a new agency, Canadian Oil and Gas Lands Administration, (COGLA).²³⁰ This shift in responsibilities is important for DIAND in two respects. First, the oil and gas division of DIAND was a high profile division of the department as a result of Canada's energy supply picture and the challenge of finding and producing hydrocarbon resources in the North. Second, although DIAND splits control over COGLA with EMR, most industry and government officials believe the establishment of COGLA has resulted in a *de facto* diminution of DIAND's control over oil and gas activities in the North.²³¹

In addition to these two recent and direct challenges to DIAND's dominant position in the North has been the constant and growing tension between DIAND and the territorial governments over authority and responsibility in the territories. DIAND is under constant pressure as the territories attempt to move toward responsible government. The Drury report, which examined constitutional development in the Northwest Territories, recommended a diminishing role for DIAND in the North.²³² Underlying these attacks on DIAND's dominance in the North is the lack of a strong, consolidated client group for the department.

²²⁹Government of Canada, House of Commons, *Standing Committee on National Resources and Public Works*, Minutes of Proceedings and Evidence, No. 54, Testimony of John C. Munro, January 6, 1981, p.27.

²³⁰Energy, Mines and Resources, "Background Paper", submitted to the Beaufort Sea Environmental Assessment and Review Panel, Nov. 4, 1982, pp.20-21.

²³¹Private Communications. With one exception DIAND officials vehemently denied this conclusion, however a number of DIAND officials complained of 'communication' problems with COGLA.

²³²Special Representative for Constitutional Development in the NWT., *Constitutional Development in the NWT.: Report of the Special Representative*, (Ottawa: Minister of Supply and Services, 1979), pp.91, 137-138.

Through the latter part of the 1970's and early 1980's DIAND has developed a siege mentality. The threatening bureaucratic and political environment and constant criticism of the department are factors that have worked together to produce this result. In combatting this situation, the department under the leadership of Paul Tellier, (Deputy Minister, 1979-1982), attempted to retrench its position through a more highly centralized and hierarchial organizational structure.²³³ This movement toward centralization is also consistent with the general attempt by Ottawa to shift the trends of federalism over the past twenty years of increased provincial powers and administration to increased control and power by Ottawa. The reorganization of DIAND and the trends toward centralization that has emerged during 1979-82 resulted in the resignations of an unusually large number of senior civil servants in the department. This has decreased the expertise and competence of the department and aggravated the inability of the department to play its proper role in coordinating government policies and programs in the North.

The Auditor General's report for 1980 revealed some of the effects this threatening bureaucratic and political environment had on DIAND. While admitting the department operates in a highly complex institutional environment, the Auditor General found a general lack of direction in the Northern Affairs Program: "Managers discounted the need for strategic or directional planning on the basis that their role was only to manage an effective response to external demands."²³⁴ Continuing the report stated:

This combination of weaknesses describes a situation which has arisen, in our opinion from a combination of lack of sufficient direction from Government and inaction on the part of DIAND in making assumptions in regard to its mandate, formulating objectives specific enough to be guides to action and seeking approval for them.²³⁵

²³³This trend toward more centralization on the part of DIAND was consistently identified by industry and GNWT officials during the course of the author's interviews. The organizational structure proposed in the land use planning process is possibly the most visible example of this trend. DIAND's centralized and hierarchial organizational structure has created problems in the past, see; M.M. Podlog, "Communication Problems in the Administration and Enforcement of the Territorial Land Use Regulations: A Case Study", unpublished M.A. paper, Faculty of Environmental Studies, York University, Toronto, 1977.

²³⁴Government of Canada, *Report of the Auditor General of Canada to the House of Commons*, Fiscal Year Ended 31 March 1980, (Ottawa: Minister of Supply and Services), p. 178.

²³⁵*Ibid.*, p. 173.

The Auditor General's report clearly illustrates a 'reactive management' approach by DIAND to fulfilling its mandate. This reactive management approach stems from the depth of conflict within the department itself, the varied external interests which DIAND must attempt to coordinate, the rapidly emerging issues raised by increasing industrial activity in the North and the siege mentality of the department. This situation has placed extreme pressure on DIAND which has adopted a strategy of conflict avoidance rather than active compromise and negotiation in carrying out its mandate. In order to pursue the strategy of conflict avoidance DIAND has assumed a reactive management approach.

Energy, Mines and Resources

Similar to much of DIAND's mandate in the North, EMR exercises general responsibility "for coordination, promotion and recommending national policies and programs with respect to energy, mines and minerals, including their production, transportation, distribution and export"²³⁶ Contrary to DIAND, however, EMR has strengthened its mandate and increased its role in hydrocarbon activity north of 60. With the establishment of COGLA, EMR now has direct access through this agency to oil and gas management in the North. It is also noteworthy that the COGLA Policy and Review Committee, which provides policy direction to COGLA, is chaired by the Senior Assistant Deputy Minister for Energy Policy from EMR.²³⁷

The increasing influence of EMR over northern hydrocarbon activity is a function of the general rise of the department in the bureaucracy of the federal government. This rise has resulted from the combination of the energy conscious 1970's and a strong coherent, albeit occasionally hostile client group. The rise of EMR culminated with the sweeping *National Energy Program* promulgated in 1980. The increase in EMR's influence over northern hydrocarbon resources has two implications for the North. First, as DIAND is increasingly threatened by EMR's expanding role, the development of northern hydrocarbon policy has become bogged down in bureaucratic manouvering. This situation

²³⁶Energy, Mines and Resources, op. cit., p.3.

²³⁷"Letter of Agreement between Deputy Ministers of EMR and INA (DIAND) respecting COGLA relationships with Policy and Operational Activities Undertaken by other EMR and INA Units", in Department of Indian Affairs and Northern Development, "Brief to the Special Committee of the Senate on the Northern Pipeline", June 22, 1982, p.30.

is described later in this chapter. Second, EMR's privileged position in government compared to DIAND provides EMR with more direct access to the central decision-making forum in the Canadian government, Cabinet. Thus, the department with its more sharply focussed mandate and good access to Cabinet is well positioned to solidify and exercise its increasing influence in northern policy-making.

Partly as a result of EMR's present bureaucratic weight, EMR sees environmental decision-making processes as limited exercises. The department's position is that such processes should restrict themselves to a 'technical consideration' of a proposal. Environmental decision-making processes, then, are not the forums for the discussion of policy issues.

The general EMR view is that the need for a project is self-evident, that it is a 'given' and above all should not be questioned or scrutinized by a panel of bureaucrats charged with assessing the environmental implications.²³⁸

This view is consistent with its stated policy of 'keeping the options open'. The department does not want 'policy type' decisions to emerge from environmental decision-making processes which may restrict future options.

Government of the Northwest Territories

The role the GNWT plays in intergovernmental relations is not in response to the mandate it presently wields but is based on the mandate the territorial government is attempting to attain. "In the midst of financial restraints and legislative limitations, the Government of the Northwest Territories is seeking increasing participation in and responsibility for resource development decisions."²³⁹ This effort towards increasing its role in resource development decisions is supported by the growing political clout of the

²³⁸Energy, Mines and Resources, "Energy, Mines and Resources and the EARP: A Review", (Ottawa: Energy, Mines and Resources, 1978), cited in W.E. Rees, "EARP at the Crossroads: Environmental Assessment in Canada", *Environmental Impact Assessment and Review*, 1:4(December 1980), p.375.

²³⁹Government of Canada, Senate, *Proceedings of the Special Committee of the Senate on the Northern Pipeline: Offshore Transportation Study*, No. 22, Testimony of Richard Nerysoo, Minister of Energy, GNWT., April 27, 1982, p.6.

GNWT and the growing expertise of its bureaucracy. However, in attempting to expand its role the GNWT is limited by its lack of statutory authority. The federal government through the Minister of Indian Affairs and Northern Development, and his representative, the Commissioner, can still disallow the decisions of the GNWT, although in recent years a movement toward more responsible government has evolved in actual practice. More important, however, is the financial control exercised by DIAND over the GNWT. This control is exercised both formally through the budgetary process and informally when the GNWT is seeking an *ad hoc* funding program.²⁴⁰

This relatively weak position of the GNWT limits the ability of the GNWT to develop policy and participate in the policy process at the federal level. The *Resource Development Policy*²⁴¹ proposal of the GNWT, which is designed to institutionalize the GNWT's mandate over socio-economic aspects of resource development, cannot be implemented without budgetary support which must come through DIAND. In the area of socio-economic matters, DIAND appears to be limiting the role of the GNWT. The oil and gas leases in Hudson Bay were signed by the federal government without consultation with the GNWT concerning the socio-economic matters despite the prior commitment of the federal government to consult.²⁴² Additionally, the land use planning proposal of DIAND was formulated without consultation with the GNWT. In attempting to respond to this proposal and increase its role in this area the GNWT has attempted to develop its own land use planning branch and claim that without specific legislation DIAND does not presently have complete authority in land use planning.²⁴³

The essence of the relationship between the GNWT and DIAND involves two perceptions of the GNWT. DIAND appears to view the GNWT, in many instances, as an appendage to the department. Conversely, the GNWT sees itself as the legitimate representative of the people of the Northwest Territories. The net result of this situation is frustration and cynicism on the part of many GNWT officials in their dealings with Ottawa. This tension is especially evident in issues concerning resource development in

²⁴⁰Gurston Dacks, *A Choice of Futures: Politics in the Canadian North*, pp.92-94; Private Communication.

²⁴¹See Chapter III, p.56.

²⁴²Government of Canada, Senate, op. cit., pp.25-28.

²⁴³Confidential Document. To illustrate the budgetary limitations of the GNWT's response in land use planning, .5 person years and only \$30,000.00 have been allocated to its land use planning branch.

the North.

For the GNWT, environmental decision-making processes pose a problem. On the one hand, the GNWT is attempting to assume responsibility for these processes through its Resource Development Policy. However, its capability to perform this function is severely undermined by its lack of statutory authority in this area and a limited budget. Overriding this issue is concern on the part of the GNWT that environmental decision-making processes be credible. Its active participation in such processes is premised on effective involvement of all important interests affected.

Department of Environment/FEARO

Environment Canada, (DOE) is charged with the responsibility of providing leadership in environmental matters and coordinating the efforts of all departments in the enhancement and protection of the natural environment. However, DOE does not have an exclusive mandate over environmental matters in the North. "Including the territorial governments, eleven departments and agencies administer resource and environmental legislation."²⁴⁴ Although the department has extensive responsibilities in the North, DOE remains a weak department in the federal bureaucracy. DOE was established in 1970 out of a "loose coalition of agencies and parts of agencies."²⁴⁵ Its strength in the federal bureaucracy has been limited by the continual changes in Ministers, weak personnel and poor organization.²⁴⁶ By 1980 the department was at a particularly weak point.²⁴⁷ There has been a continuing struggle in the North between DIAND and DOE for lead status in environmental matters. DIAND, however, as a result of DOE's weakness, has emerged as the dominant actor in most aspects of environmental protection in the North.

²⁴⁴Environment Canada, "Environment Canada's Proposed Response to the Beaufort Sea Hydrocarbon Production Proposal", Submitted to the Beaufort Sea Environmental Assessment Panel, p. 10.

²⁴⁵ Michael S. Whittington, Department of Environment, *Spending Tax Dollars: Federal Expenditures, 1980-81*, G. Bruce Doern, ed., (Ottawa: School of Public Administration, Carleton University, 1980), p.99.

²⁴⁶For a historical discussion of DOE's weakness, see: *Ibid.*, pp.99-117; W.R. Sewell and Harold D. Foster, *An Assessment of Canadian Environmental Policies on Offshore Development*, (Ottawa: Environment Canada, 1981); Douglas Pimlott, "Offshore Drilling in the Canadian Arctic: Elements of a Case History", *Mackenzie Delta: Priorities and Alternatives*, (Ottawa: Canadian Arctic Resources Committee 1975), pp. 113-125.

²⁴⁷Whittington, *op. cit.*, p.99.

Balancing this overall weakness of the department, to some degree, is the aggressive stance vis a vis environmental matters taken by the regional office responsible for the North. This aggressive stance appears to be partly the result of the geographic location of the office in Edmonton. The office is favorably located relative to the North and isolated from the broader bureaucratic milieu of Ottawa. Furthermore, the office is staffed to the Director-General level, a senior position in the civil service. Although the department lacks the legislative clout, the regional office is constantly prodding DIAND with respect to environmental matters and attempting to expand its role in the North. The history of tension between the two departments and DIAND's siege mentality has hampered the coordination and development of environmental policies and programs in the North.

In principle DOE is supportive of environmental decision-making processes. However, because of DOE's general weakness in the policy process, the department is more inclined to have environmental decision-making processes debate policy issues than either DIAND or EMR. Support for environmental decision-making processes from DOE's northern regional office waivers when such issues are avoided or not adequately dealt with. Pressure from DOE's northern regional office resulted in the commencement of the green paper exercise.

FEARO

Attached to DOE is the Federal Environmental Assessment and Review Office, (FEARO), which is responsible for administering the public phase of EARP. FEARO is responsible for establishing the EARP panel and providing advice on the governmental process to the panel and performing a secretariat function. It is not uncommon for panel members to also be employees of FEARO. As outlined in Chapter I, FEARO was established through a Cabinet directive in 1973 and continues at the discretion of Cabinet. Since 1979 FEARO has been attempting to have the office established in legislation but with the change of government in 1980 this initiative appears to have lost some momentum.²⁴³ The weakness of FEARO involves more than its lack of legislated mandate. The agency has suffered from three changes in its leadership since 1979 and it is attached to a weak

²⁴³Private Communication.

department, DOE. There is little support for FEARO and the EARP within the federal bureaucracy²⁴⁹ and there are efforts on the part of the GNWT to assume some of FEARO's functions. Finally, the clientele of the office, 'environmentalists', have continually criticized EARP.²⁵⁰

FEARO's overall weakness is countered to some degree by the semi-autonomous status of the agency. FEARO and EARP panels have direct access to the Minister of the Environment. The decisions and recommendations of an EARP panel are not first vetted through departmental or interdepartmental committees. Reinforcing this semi-autonomous status has been the recent trend towards EARP panels composed of nongovernment personnel. Thus, EARP panels are removed from the bureaucratic environment. Furthermore, underlying EARP is a perception of legitimacy because of its public nature. A panel's decisions and recommendations 'could' carry some weight as they have emerged from a public process.

FEARO's survival and successes to date can be mostly attributed to the high degree of commitment of its staff in attempting to perform their function. A less committed and aggressive staff would undoubtedly result in a diminishing role for FEARO in environmental decision-making processes.

Summary

The previous chapter argued environmental decision-making processes operate in a policy context which contains a deficient policy framework. The lack of an interpretive policy framework increases the politicization of the environmental decision-making process. The brief sketch of intergovernmental and intragovernmental relations illustrates the highly politicized nature of the bureaucratic relationships involved in environmental decision-making processes. In the area of environmental protection in the North, this highly politicized bureaucratic environment and its consequence, an uncertain institutional framework are particularly important.

²⁴⁹Rees, op. cit., p.372; Sewell and Foster, op. cit., pp.34-37.

²⁵⁰These criticisms are reviewed in Chapter I. One of the most vocal critics of EARP has been CARC, see: Canadian Arctic Resources Committee, "Submission to EARP Hearings on Exploratory Drilling by Norlands Petroleum Ltd., in the Lancaster Sound Region", (Ottawa: Canadian Arctic Resources Committee, 1978).

The debate over who has the major responsibility for environmental protection in the areas undergoing development highlights the basic dilemma... most relevant legislation leaves large areas open for interpretation and it is not unusual for disagreements to arise over what is and what is not included in the environmental mandates of particular departments.... It is evident that this situation is very unsatisfactory.²⁵¹

In the offshore area in particular, the unstable institutional framework represented by the highly politicized bureaucratic environment has hindered the development of an interpretive policy framework. A paradox becomes evident: the policy framework cannot be developed without a clear institutional framework, yet part of the uncertain institutional framework is partly the result of the lack of explicit, comprehensive legislative and policy frameworks.

Although a number of significant actors were not discussed in this section, their position and mandates do not significantly alter the uncertainty of the institutional framework underlying environmental decision-making processes. The parameters of the institutional framework are set by an increasingly powerful EMR in the North, a number of weak but aggressive actors such as the GNWT, FEARO and DOE and the major actor, DIAND, under siege. The highly politicized bureaucratic environment is at least partly the result of the broader institutional and political relationships between the North and Ottawa being in a state of flux. The issue of the future political relationships between the North and Ottawa, specifically in the areas of land claims and political devolution, makes the future institutional framework uncertain. At the centre of this institutional framework is DIAND with its broad mandate to coordinate and lead in the development of policies and programs for the North. Clearly, such an institutional framework is not conducive to the development and establishment of clear policy and programs for the North. For the Beaufort Sea review and the green paper exercise this institutional framework has played an important role in shaping the policy dimension and operational dimension of both processes.

²⁵¹Sewell and Foster, op. cit., p.39; see also, Department of Transport, "Brief to the Special Committee of the Senate", *Proceedings of the Special Committee of the Senate on the Northern Pipeline: Offshore Transportation Study*, No.30A, June 15 1982, p.80.

B. The Policy Dimension

The Beaufort Sea Review

The Senior Policy Committee for Northern Development Projects became the forum for interdepartmental policy discussion for the Beaufort Sea hydrocarbon proposal. This committee was chaired by DIAND and composed of twelve senior civil servants at the Assistant Deputy Minister level from EMR, COGLA, DOT, Canada Employment and Immigration Commission, DFO, DOE, Industry, Trade and Commerce, Yukon Territorial Government, GNWT, and Department of Public Works. Observers to the committee are representatives from FEARO, External Affairs, Minister of State for Economic and Regional Development, Minister of State for Social Development, Treasury Board, and the Department of Finance. The committee was formed in 1981 to address hydrocarbon development in the North and was to be advisory in nature to DIAND.²⁵² In addition to providing a general discussion forum for issues related to northern hydrocarbon development, the committee emerged as a potentially important element in the Beaufort Sea review when the panel requested, with DIAND's agreement, that the government position papers be coordinated through this committee.²⁵³

The committee has failed to become an effective forum for the development of policy in the North generally and the Beaufort Sea region specifically. The failure of this committee to provide policy guidance appears to be the result of a lack of leadership and commitment on the part of a number of important policy actors to make the committee effective. There was little agreement among the members concerning the proper agenda for the meetings. The development of a northern hydrocarbon policy and a comprehensive environmental management review were significantly impaired by departmental posturing in this committee. Meetings often became bogged down in a discussion of the details of a particular project. Consequently, with few exceptions key government departments such as EMR and COGLA did not attend the meetings.²⁵⁴ The most consistent attendance came from some of the weaker departments such as DOE.

²⁵²Beaufort Sea Environmental Assessment Panel, "Minutes of Meeting with Neil Faulkner, Assistant Deputy Minister, Northern Programs, DIAND", Dec. 7, 1981.

²⁵³Letter John Tener, Chairman, Beaufort Sea Environmental Panel, to Paul M. Tellier, Deputy Minister, DIAND, Feb. 25, 1982.

²⁵⁴Private Communication.

Generally, DIAND was unable to mobilize interest among government departments to make this committee an effective policy discussion forum. As a result the meetings of the committee became more intermittent, with the last meeting of record held in January 1982.²⁵⁵ This committee was not used to coordinate governmental input into the Beaufort Sea review.

There are a number of factors which explain the lack of commitment by some government departments to the Senior Policy Committee. First, for strong departments such as EMR and COGLA, there is little incentive to use such committees as a forum for policy discussion. In terms of positional politics, EMR is much stronger at the ministerial or cabinet level than at the level of an inter-departmental committee which is chaired by a comparatively weak department. A letter sent from Marc Lalonde, Minister for Energy, Mines and Resources, but probably written by a senior civil servant in EMR illustrates how EMR officials attempt to exercise the department's influence at the ministerial level.²⁵⁶ This letter requested an acceleration of the Beaufort Sea review and was a clear attempt by EMR to put pressure on the Beaufort Sea panel for an expeditious review.²⁵⁷ EMR's influence in the uncertain institutional framework in the North is probably most effectively exercised at the ministerial level.

In addition to the lack of commitment to this committee by strong departments such as EMR, the role of DIAND in this forum also contributed to its ineffectiveness. In this committee, as in many interdepartmental committees under DIAND's leadership, the department attempts to retrench its general responsibility for northern matters. Consequently, DIAND often adopts an overbearing stance in the operation of these committees.²⁵⁸ DIAND appears unable to reconcile its general coordinating role for northern issues with the coordinating role interdepartmental committees are to perform.

A second and possibly more important explanation of the failure of this committee is the conflict inherent in such committees and DIAND's conflict avoidance strategy. It has been argued that senior policy committees in the federal government are generally "a

²⁵⁵As of February 1983. Private Communication.

²⁵⁶Private Communication.

²⁵⁷Letter Marc Lalonde, MEMR, to John Roberts, MOE, May 21, 1982. This letter is a confidential document but is referred to in; Government of Canada, *House of Commons Debates*, Hansard, 124:390, 1st Session, 32 Parliament, July 28, 1982, Question of Fulton to Lalonde.

²⁵⁸Private Communication. This situation existed historically as well, see; Edgar Dosman, op. cit., p.95.

mechanism to facilitate conflict rather than provide effective coordination."²⁵⁹ For the Senior Policy Committee, the uncertain institutional framework and DIAND's siege mentality have exacerbated the conflict in this committee.

The problem of policy coordination in the North is not new.²⁶⁰ According to one former government official interviewed, policy coordination for the North continues to be informal and issue-reactive because of the lack of political leadership to make senior committees productive forums.²⁶¹ An institutional rearrangement among government departments, then, would only result in an effective policy process if it was accompanied by more leadership at the political level.

In its attempt to receive more explicit policy guidance from the government through its request for departmental position papers, the Beaufort Sea panel was hindered by the institutional framework underlying the policy process. The federal government had the organizational structure in place to provide policy guidance to the Beaufort Sea review through the Senior Policy Committee, however, the institutional framework within which this committee must operate subverts its effectiveness.

Guideline Hearings

The general relationship between FEARO and DIAND has also hindered the policy guidance for the Beaufort Sea review. During the guideline hearings it is notable that DIAND made only one presentation to the panel and was generally unavailable to answer questions that arose in these hearings. This reluctance on the part of DIAND to assume a visible role during the guideline hearings frustrated some of the panel members.²⁶² In order to rectify this situation the panel requested DIAND on Nov. 25, 1981 to be present for the balance of the hearings.²⁶³ Nevertheless, senior DIAND representatives did not appear at most of the hearings. DIAND justified their absence by pointing out that government departments were generally not welcome at the community sessions.²⁶⁴ The submission by

²⁵⁹Flora MacDonald, "The Minister and the Mandarins", *Policy Options*, 1:3(Sept/Oct. 1980), p.30.

²⁶⁰Edgar Dosman and Frances Abele, "Interdepartmental Coordination and Northern Development", *Canadian Public Administration*, 24:3(Fall 1981), p.430.

²⁶¹Private Communication.

²⁶²Beaufort Sea Environmental Assessment Panel, *Draft Guideline Meetings*, (Transcripts), Pond Inlet, Dec. 1, 1981, pp.84-87.

²⁶³*Ibid.*, p.85.

²⁶⁴Beaufort Sea Environmental Assessment Panel, "Minutes of Meeting with Neil Faulkner, Assistant Deputy Minister, Northern Programs, DIAND", Dec. 7, 1981.

industry to the Task Force on Beaufort Sea Developments had also requested fuller participation on the part of DIAND at the EARP hearings: "The Department of Indian Affairs and Northern Development should be prepared to present policies and to comment on them at the EARP hearings through a representative at the Assistant Deputy Minister level."²⁶³ The reluctance of DIAND to be present at the guideline hearings indicates a basic indifference on the part of the department towards EARP and is consistent with DIAND's conflict avoidance strategy.

This indifference approached animosity when the panel indicated it would attempt to address some of the policy issues that the Beaufort Sea proposal raises. However, FEARO's overall weakness and lack of support within the federal bureaucracy limits the ability of EARP panels to aggressively assume a policy-setting function in environmental decision-making processes. EARP panels do not have either the statutory base or the bureaucratic weight to impose policy recommendations on the other, more powerful government departments. It is this context that partly explains the Beaufort Sea panel's ambiguous and evasive response to some of the policy issues raised in the guideline hearings; specifically in the area of land claims and the relationship of the Arctic Pilot Project to the Beaufort Sea review.

FEARO's weak bureaucratic clout and consequent weak position of the EARP panel have contributed to the panel's failure to mobilize the policy process to provide policy guidance to the review. Both the Senior Policy Committee and the indifference of DIAND to the review are clear indications of the weak position of EARP in the institutional framework for environmental decision-making processes in the North.

The panel's attempts to receive more explicit policy guidance from the government to date has placed it in an interesting situation. By attempting to address some of the policy issues that have been raised rather than ignore such issues, the panel has taken on the responsibility of making recommendations based on these outstanding policy issues. However, the panel has shown in its operation to date, it does not have the bureaucratic clout necessary to gain policy guidance from the government. In addition, the present institutional framework will probably not resolve these issues in the near future. Paradoxically, the panel, by attempting to deal with the policy issues by firmly placing them

²⁶³ *Report of the Task Force on Beaufort Sea Developments*, Submitted to the Senior Policy Committee, Northern Development Projects, April 1981, Appendix 4, p.4.

on its agenda may be unable to deal with the issues it has assumed responsibility for and as a consequence call into question the credibility of the EARP review in the Beaufort Sea region.

The Green Paper Exercise

Intergovernmental and intragovernmental relations dominated the policy direction provided to the green paper exercise. As the green paper is an *ad hoc* process and had no prior policy guidance through a Cabinet decision, the policy direction for the exercise came solely from the Steering Committee, also an *ad hoc* body. This committee was composed of senior civil servants to the level of Director-General and had representatives from the GNWT, DIAND, DOE, DFO, EMR, and DOT. The committee was dominated by DIAND personnel and chaired by the Director-General, Northern Environment, DIAND.²⁶⁶ The Steering Committee proved ineffective in providing general direction to the Working Group responsible for the preparation of the green paper.

The lack of explicit policy direction to the green paper exercise can be partly explained by the initial lack of commitment by DIAND to the exercise. After the EARP report on drilling in Lancaster Sound was released, DIAND was initially reluctant to develop a process to respond to the recommendation concerning a decision on the best use(s) for Lancaster Sound. This reluctance stems from the department's basic conflict avoidance strategy and reactive management approach. Furthermore at a more practical level such a process would undoubtedly take some time and preclude exploration activity in the Sound until its completion. Senior levels of DIAND were already favorably disposed to Petro Canada's imminent drilling plans for the Sound and these same officials did not want to jeopardize or delay those drilling plans.²⁶⁷

However, pressure for such a process was being put on DIAND by a number of interest groups (CARC) and, importantly, DOE. DIAND initially rejected any suggestion that it should respond to the recommendation of the EARP panel. Only after increased pressure on the department by the Director-General for the Western and Northern

²⁶⁶Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Green Paper*, p.94. Seven out of fourteen members on the committee came from DIAND.

²⁶⁷Private Communication.

Region, DOE, did DIAND reconsider and propose a green paper exercise.²⁶⁸ An initial problem for policy direction to the green paper exercise was the reluctance and lack of commitment on the part of DIAND to respond to the EARP report.

It is important to note, as well, that there was no political component in the leadership of the process. The pressure for and idea of a green paper exercise occurred during a change in government which resulted in a new, inexperienced minister taking over DIAND. The decision to employ a green paper exercise came from the senior levels of the department. The momentum of the process then, was a result of the bureaucratic politics of the day, pressure from some interest groups and an anticipated application to drill in the eastern part of the Sound by Petro Canada.

A second problem arose with the organizational structure of the process. As the timeframe for the process started to expand and as the exercise began to evolve into a regional planning exercise, an increasing number of government actors became interested in the process.²⁶⁹ The sheer organizational size of the Steering Committee acted to undermine the policy direction for the process. In addition to the organizational size of the Steering Committee, and the number of diverse interests in the committee, it was difficult for DIAND representatives to develop a unified position.²⁷⁰ The internal difference within DIAND itself concerning how the exercise should proceed also undermined the direction the green paper exercise was to receive from the committee. These internal differences went beyond a single 'pro-development' - 'pro-environment' distinction. There was a difference over what the green paper exercise should accomplish and the proper process that should be employed for the objective.²⁷¹

The ineffectiveness of the Steering Committee in providing policy direction is evidenced by the few meetings of the committee over the three year period of the exercise. According to one participant, the Steering Committee met on five or six occasions and at some of these meetings not all representatives were in attendance. This poor attendance on the part of some members was the result of DIAND's reticence in developing and adequately distributing agendas in advance of the meetings. Certain

²⁶⁸Margaret Anne Davidson, "Policy and Decision-Making in the North: The Case of Lancaster Sound", p. 114.

²⁶⁹Private Communication.

²⁷⁰Private Communication.

²⁷¹Private Communication.

members refused to attend meetings when insufficient advance notice was provided.²⁷² The basic stance of the Steering Committee was to 'react' to the work of the Working Group, which was charged with preparing the actual green paper. Both the Working Group and the public, through the public consultation phase of the process, were required to provide policy direction for the process.

The *ad hoc* nature of the green paper exercise and its organizational dominance by federal departmental representatives allowed the process to become dominated by bureaucratic politics. The uncertain institutional framework created a situation in which the objective and momentum of the process were easily lost. The lack of policy direction from the Steering Committee illustrates the difficulty the present institutional framework presents the various governmental actors when attempting to develop a proactive planning/decision-making process. As the green paper exercise shows, without a high level of commitment by important governmental actors and a concurrent commitment at the political level, such processes will easily become bogged down in bureaucratic politics.

Summary

Intergovernmental and intragovernmental relations play a critical role in the policy guidance the environmental decision-making processes receive. For both the Beaufort Sea review and the green paper exercise the uncertain institutional framework and the resulting highly politicized bureaucratic environment have undermined the policy process and weakened the policy guidance for the processes. The Beaufort Sea panel, which is composed of nongovernmental personnel, has attempted to address the policy issues and actively seek policy guidance. The impact nongovernmental personnel had on the panel's attempt to address policy issues is unclear. Certainly their insulation from the broader bureaucratic milieu might have allowed them more discretion in addressing certain issues. However, FEARO officials indicated the composition of the panel was not a critical factor in the panel's attempts to deal with policy issues. Nevertheless, the panel lacks the bureaucratic muscle to prod the policy process effectively. The panel's influence in this area is based on the public nature of the process. Departments that appear uncooperative

²⁷²Private Communication.

with the panel open themselves up to public criticism.

Underlying this discussion of the failure of the present institutional framework to provide policy guidance to environmental decision-making processes has been the role of political leadership.²⁷³ It is noteworthy that in both the Beaufort Sea review and the green paper exercise, the policy process was isolated from the political level. In the Beaufort Sea review the requests for policy guidance went to senior members of the various departments, not the minister responsible for the department. The green paper exercise was to receive its policy guidance from a committee even further removed from the political level than the Beaufort Sea review as it was staffed by civil servants to the Director-General level. The only involvement at the political level for either process came in the form of a letter from Marc Lalonde, MEMR, to John Roberts MOE, requesting an expeditious EARP review.

This apparent lack of involvement by the political leadership can be explained in two ways. First, becoming involved in the overarching issues for the North is a 'no-win' situation for politicians. The issues raised by land claims and political devolution of authority involve fundamental political issues for Canadian society. Consequently, they will not be resolved quickly or easily by the political leadership. Second, the lack of political leadership has been compounded by a constant changing of ministers for DIAND. Between 1972 and 1980 DIAND had six ministers. These ministers have generally not had time to take control of this expansive department. Underlying this problem of control could be reticence on the part of senior government officials to entrust decisions, policies and program issues to a comparatively inexperienced minister. Civil servants may have more success in having their programs and policies implemented if they are kept away from the political level.²⁷⁴

Although it is tempting to be highly critical of DIAND for its failure to lead and coordinate the development of policy for the North, this failure goes beyond the

²⁷³A constant theme that arose in the author's interviews was the lack of political direction provided to the environmental decision-making processes and the policy issues generally. This issue was discussed before a Special Committee of the Senate, see: Government of Canada, Senate, op. cit., No. 19, Testimony of D. Gamble, March 16, 1982, p. 11; William E. Rees, "Environmental Assessment and Review: The Case of McKinley Bay", *Northern Perspectives*, 8:2(1980), footnote 38, p. 10.

²⁷⁴Because of the sensitive nature of this suggestion it must remain speculative at this point. During the course of the author's interviews, this possibility was expressed a number of times. However, the author did not uncover any explicit evidence to support this suggestion.

departmental imperatives of DIAND. DIAND is operating in a highly complex institutional environment which is being allowed by the political leadership to co-opt the policy process. Without active intervention at the political level, DIAND becomes the scapegoat for the lack of an interpretive policy framework in the North because of its central position in the institutional framework. The lack of political leadership is not new for DIAND and plagued the department through the 1970's:

Coherent and anticipatory policies and processes of decision-making and regulation could not be created because the debate within the department could not be resolved, particularly because Cabinet persistently avoided giving DIAND the clear policy direction it needed to deal on other than an *ad hoc* level with specific projects.²⁷⁵

C. The Operational Dimension

The lack of coordination of governmental actors at the operational level has significantly affected these two environmental decision-making processes. The problems presented by this lack of coordination fall into two categories. First, effective coordination is required for the provision of general government information to the processes. Rather than the policy-related information discussed previously, this type of information deals in specific government programs and other related issues that may arise in the environmental decision-making process. Second, effective coordination of governmental actors is required for the provision of technical or scientific analysis that is being undertaken by government agencies which is relevant to the environmental decision-making process. The lack of coordinated government input into the processes has limited the development of focus for the processes and impaired the technical assessment of the Beaufort Sea review.

²⁷⁵Dacks, *op. cit.*, p. 199.

The Beaufort Sea Review

For the general provision of information to the Beaufort Sea review at the operational level, two mechanisms were to be employed; the Beaufort Sea office, (BSO), and government position papers. The BSO emerged out of one of the recommendations of the Task Force on Beaufort Sea Developments. Generally, the BSO was to become the operational arm of the Senior Policy Committee on Northern Development Projects and therefore be the central government coordinating office for the government's response to industrial activity in the Beaufort Sea region. As originally conceived, the office had a much broader mandate than the governmental representative to the Beaufort Sea review.²⁷⁶ Briefly, the office was to oversee the timely and coordinated response from the federal government to the Beaufort Sea proposal, review existing regulatory requirements and review procedures, develop a strategy for a response, and identify research gaps.²⁷⁷ The BSO was staffed by seven people with representatives from DFO, DOE and DIAND as well as administrative and support personnel. It was originally headed by a DIAND official at the Director level.

The BSO failed to become an effective information source for the Beaufort Sea review because of the uncertain institutional framework which created general uncertainty within the federal government over the role the office was to play. As this office was to be a coordinating office its success depended on cooperation from its contributing clients. However, many DIAND officials saw the office as primarily a DIAND operation and wanted its mandate limited to concerning itself with the Beaufort Sea review. It should be noted at this point that DIAND had a Major Projects Assessment Division which had previously handled DIAND's response to proposed industrial activity in the North. Other departments saw the office as a broader, interdepartmental coordinating office. Underlying the uncertainty over the mandate of the office was an ambivalence towards the office from the senior levels of DIAND. There was little support for the office from within DIAND yet pressure from other departments for such an office. This lack of commitment from the senior levels of DIAND appears to have played a role in the resignation of the original director of the office after only three months.

²⁷⁶*Report of the Task Force on Beaufort Sea Developments*, op. cit., pp.32-34.

²⁷⁷Beaufort Sea Environmental Assessment Panel, *Draft Guideline Meetings*, (Transcripts), Yellowknife, Nov. 25, 1981, C.A. Lewis, p.20.

The office became isolated from a number of related programs within DIAND and the flow of information, and eventually became viewed as an ineffective agency by many DIAND and DOE officials.²⁷⁸ Instead of becoming the focal point for the federal government's response to Beaufort Sea development generally, the office became submerged in DIAND's organization as a unit of Major Projects Assessments with no real role or purpose. In July 1982, one year after its formation, the office was quietly dissolved.

The structure of the BSO and its eventual failure raise some important implications for the ability of the federal government to coordinate input to the environmental decision-making process at the operational level. First, it is notable that the GNWT did not participate in the BSO, despite its role in recommending its formation.²⁷⁹ The GNWT, then, was left out of the information flow for the Beaufort Sea development. The lack of financial and human resources on the part of the GNWT combined with an unwillingness on the part of DIAND to rectify this situation prevented the GNWT from participating. Second, and possibly more important, problems related to Beaufort Sea activity were often allowed to go straight to the Senior Policy Committee rather than through the BSO. Thus, the failure of the BSO may have contributed to the ineffectiveness and lack of commitment to the Senior Policy Committee as committee meetings tended to become preoccupied with the details of particular projects.

For the Beaufort Sea review, the lack of commitment to a coordinated government response rather than the lack of an organizational structure for such a response is the biggest obstacle facing the coordination and integration of governmental input into the review. This lack of commitment arises from the uncertain institutional framework which forces governmental actors to be overly protective of their bureaucratic mandates. The BSO could have provided the central coordinating mechanism for the government position papers to be submitted to the panel and the government's own analysis of the EIS. Such prior coordination would have reduced the demands placed on the Beaufort Sea panel in its review by reducing the streams of information into the process.

²⁷⁸For example, information on Dome's shipbuilding proposals and the new exploration agreements negotiated by COGLA with Esso reached the members of the office well after the events and only through 'informal' means. Private Communication.

²⁷⁹The GNWT was a member of the Task Force on Beaufort Sea Developments.

Position Papers

The position papers requested by the Beaufort Sea panel were not only intended to provide policy guidance to the review but also to suggest what programs the various government departments intended to initiate in response to the Beaufort Sea proposal. FEARO recognized that one element missing in the environmental assessment process was an analysis of impacts on a region as the result of government infrastructure development. During the Norman Wells Oilfield Expansion and Pipeline Proposal, the EARP panel and FEARO became concerned over the lack of government preparedness to respond to the proposal.²⁸⁰ Consequently the terms of reference for the Beaufort Sea review directed the panel to consider "the capacity of Governments to control Beaufort Sea oil and gas developments..."²⁸¹

The response by governmental actors to this initiative was varied. Weaker departments such as DOE and DFO favored the initiative and departments with a less direct role in the review also favored the initiative as they now became included in the decision-making process. DIAND and EMR, although publicly supportive, were concerned over the policy related information being requested, especially the question of the need for the project relative to Canada's energy needs.²⁸² Some members of the GNWT resented the request for a government position paper because it requested more information than they could provide with their present resources. This request also deflected some of the GNWT's attention from more pressing issues associated with the Beaufort Sea proposal.²⁸³ Underlying much of the less favorable reaction to the request for government position papers was concern over what the panel intended to do with the information and the ability of the panel to aggregate the information in order for the position papers to be useful.

In light of the varied response to the request for government position papers it is not surprising that there was no prior coordination of the governmental input into the Beaufort Sea review through an organization such as the BSO. Partly because of the lack of prior coordination, the position statements varied in format and substance. For

²⁸⁰Private Communication.

²⁸¹Letter John Roberts, MOE, to John Tener, Chairman, Beaufort Sea Environmental Assessment Panel, June 14, 1981, "Terms of Reference" attached.

²⁸²Private Communication. See also; Sewell and Foster, op. cit., p.36.

²⁸³Private Communication.

example, the Department of External Affairs submitted a very short, three page statement. It should be noted that major industrial activity in the North has major implications for Canada's relationships with the USA, USSR and Greenland.²³⁴ The GNWT submitted an extensive paper which outlined many concerns but contained little explicit analysis of the Beaufort Sea proposal.

One of the problems faced by many of the governmental actors in formulating their position statement was the uncertain nature of the proposal which, in turn, limited their ability to examine the impacts of departmental programs on the proposal and the impacts of the proposal on the department. This problem was succinctly stated by Canada Employment and Immigration Commission:

In summary, the actual and planned development has not progressed to the point where a detailed assessment on CEIC programs and policies, and vice versa, can be made. As decisions are made with respect to the pace and location of development and transportation modes, the Commission's position will become clearer.²³⁵

The position papers typically involved extensive discussion of mandates and programs but little analysis of problems and opportunities raised by the Beaufort Sea proposal. Thus, for governmental actors, information uncertainty as well as a lack of coordination played an important role in their input on the Beaufort Sea review at the operational level.

The Beaufort Sea panel is being asked to become the initial coordinating mechanism for government response to the Beaufort Sea hydrocarbon development proposal. In requesting these position papers FEARO has indicated it is attempting to broaden its role in environmental decision-making. FEARO is no longer content to restrict EARP to the review of the EIS produced by industry and the ensuing public comment. In the Beaufort Sea review the panel has attempted to further involve various government departments in the process. Although it can be questioned whether the environmental decision-making process is the proper forum for the discussion of all three components

²³⁴The issue of international relations, the Department of External Affairs and northern development is discussed in, Franklyn Griffiths, *A Northern Foreign Policy*, (Ottawa: Canadian Institute of International Affairs, 1979), in particular pp.72-88.

²³⁵Canada Employment and Immigration Commission, "Impact of Offshore Oil Development in the Beaufort Sea on the Canada Employment and Immigration Commission", August 1982, p.39. Submitted to the Beaufort Sea Environmental Assessment Panel.

to the Beaufort Sea review, (the EIS, government position papers and public comment), the Beaufort Sea panel is attempting to become the central decision-making forum for the Beaufort Sea proposal. The test of the panel's ability to perform this expanded function and probably the future of FEARO's efforts in this area, will be the ability of the panel to produce *feasible* recommendations which will increase the ability of government to respond to the Beaufort Sea proposal. A critical factor in producing workable recommendations will be the panel's appreciation of the uncertain institutional framework in the North. In attempting to produce feasible recommendations, FEARO's weakness within the federal bureaucracy may prove to be a decisive factor.

Timing

DIAND was unable to develop an interdepartmental review committee for the EIS prior to its release to the public. This failure is the result of disagreements among various departments over the time required to review the EIS. DOE, DOT, and DFO insisted on a three month review period, with DIAND desiring a one month review period. As a result no formal coordinated review mechanism was established. DIAND's concern with the length of the review period was a result of pressure being applied by industry and EMR for an expeditious review. This pressure culminated in the letter alluded to previously from Marc Lalonde, MEMR, to John Roberts, MOE, in May 1982. This letter asked for "views on steps that can be taken to ensure an earlier completion date" or for the possibilities of making some decisions prior to "the estimated completion date of the Beaufort Sea review."²⁸⁶

Roberts' response to this letter is important in two respects. First, five suggestions are advanced which would speed up the Beaufort Sea review, none of which involve pressure on the panel to change their part of the process. Roberts was clearly maintaining an 'arms length' relationship with the panel and the review. This illustrates the independence of the panel relative to some of the bureaucratic pressures being applied. Second, DIAND waived the government's review of the EIS prior to its public release. Typically, the initiating department examines the EIS prior to its public release to make sure the document is satisfactory. In the Beaufort Sea review the review will not benefit from

²⁸⁶Letter Marc Lalonde, MEMR, to John Roberts, MOE, May 21, 1982.

governmental analysis of the EIS prior to its public release. The technical assessment capability of the review may suffer as a result. It is highly unlikely government departments will be as critical of the EIS during the public review of the document as they would have been during an internal review of the document beyond public scrutiny, especially those departments that favor the proposal. Consequently, the agenda-setting role of industry regarding the technical aspects of the review has probably increased. Issues that might have been vetted in the government's review of the EIS will now be left to the panel.

It is interesting to note the lack of direct involvement on the part of DIAND in the issue of the timing of the review. EMR made its appeal directly to DOE at the ministerial level and DIAND only became involved after DOE suggested a waiver of the internal assessment of the EIS. The lack of involvement of DIAND is noteworthy because of DIAND's overall mandate in the North and its role as initiator of the Beaufort Sea review. This lack of involvement is illustrative of DIAND's weak position relative to EMR and indicates some limitations to the department aggressively asserting itself as the coordinating agency for northern issues.

Summary

The operational level of the Beaufort Sea review has suffered because of failure in the coordination of various governmental actors. DIAND has either transferred its coordinating role to another actor, such as the Beaufort Sea panel or failed to provide coordination with the result the function is not performed. This lack of coordination from DIAND is partly the result of DIAND's tenuous position within the federal bureaucracy, despite its preeminent legislative mandate. Furthermore, there appears to be a lack of commitment within DIAND itself to provide a coordinating mechanism. Not only was the BSO office dissolved but Major Projects Assessments has since been dispersed throughout the Northern Affairs Program. Previously, this division, which was established in response to the Alaska Highway Pipeline, had performed a central role in the federal government's response to development proposals in the North. The reasons for this dispersal are unclear. DIAND officials maintain a decision was made that dispersing this expertise throughout the department would be beneficial to the department. Industry and

other government officials suggest the division was disbanded because of an internal dispute within the department concerning which branch of the department should administer the division.²⁸⁷ In any case, the dispersal of this division is a further indication of a weak commitment on the part of DIAND to active coordination at the operational level.

The Beaufort Sea panel's ability to perform its function is facilitated by the semi-autonomous status of FEARO within the federal bureaucracy. As the administrative office of the panel it remains removed from the bureaucratic politics in order to protect the credibility of the review process. This independence has contributed to the expansion of FEARO's role in the Beaufort Sea proposal through consideration of government position papers. Despite FEARO's weak position within the federal bureaucracy, the panel has been able to exercise a significant amount of independence in the operation of the review.

The Green Paper Exercise

The green paper exercise was organized as an interdepartmental process. The Working Group, which was responsible for producing the green paper was composed of representatives from six government departments; DIAND, DOE, DFO, DOT, EMR, and the GNWT, as well as one consultant.²⁸⁸ The Working Group assumed the central role in the green paper exercise as the Steering Committee adopted a 'reactive' stance in the process. The preparation of the green paper, then, was conducted through a process which involved a large number of diverse governmental interests and perspectives without leadership from the higher levels of the bureaucracy. The combination of an unclear purpose and lack of leadership in the exercise and the large number of diverse interests caused the green paper exercise to expand from a narrow 'best use' survey to a lengthy, tentative attempt at regional planning.

The evolution of the green paper exercise toward a regional planning process was restrained by the interdepartmental nature of the Working Group. Without the exercise of effective leadership from the higher levels of the bureaucracy, the Working Group was unable to develop a consensus concerning what the green paper should contain. Most

²⁸⁷Private Communication.

²⁸⁸Lancaster Sound Regional Study, op. cit., p.94.

important was the divergence between 'process-type options' favored by DOE and the GNWT, and 'use-type options' favored by DIAND and DFO.²⁸⁹ The process-type options would attempt to develop a consensus on the type of decision-making structure that should be employed in deciding future activity in the Lancaster Sound region. Use-type options would attempt to propose the types of activity that would be acceptable in the Sound. Furthermore, as the green paper exercise evolved toward a regional planning exercise, the GNWT became less enthusiastic for the exercise. The GNWT maintained the Working Group was an inappropriate body to develop a regional plan because of the lack of 'local' representation on the group.

The formal submissions of the various government departments to the Working Group reflected a lack of clarity concerning the purpose of the green paper exercise. EMR, a department with major interests in the future of the Sound because of the Sound's hydrocarbon potential, submitted a very general, descriptive three page document to the Working Group. The major contribution of the document was a slight retreat from the 'need to know' policy for Lancaster Sound to a 'like to know' policy.²⁹⁰ Conversely, DOT submitted a lengthy paper which focussed on the range of marine services required for marine transportation in the high arctic.²⁹¹ Similar to the Beaufort Sea review, the green paper exercise suffered from information uncertainty. This information uncertainty in the green paper exercise stemmed from the basic uncertainty over what type of decisions the process would attempt to produce, which in turn, was caused by a lack of leadership and commitment to the process.

The green paper exercise was also affected by the varying levels of commitment by participating government departments. As the process expanded and lengthened, increasing demands were placed on the departments represented on the Working Group. These members were not appointed to the green paper exercise on a full-time basis, although eventually the GNWT did make a full-time appointment. The part-time nature of the Working Group resulted in a number of government departments being late with

²⁸⁹These positions are reflected in: Lancaster Sound Regional Study, "Assessment of Southern Workshop", Public Review Phase. Open file of submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

²⁹⁰Energy, Mines and Resources, "Lancaster Sound-Resolute Bay Petroleum Resources in a National Oil and Gas Perspective". Open file of submissions to the Lancaster Sound Regional Study.

²⁹¹Department of Transport, "Arctic Marine Transport Services Requirements". Open file of submissions to the Lancaster Sound Regional Study.

submissions, which contributed to the length of the process. In the end, the final green paper was written by relatively few members of the Working Group.²⁹²

The lack of commitment to the Working Group by various government departments and the lack of consensus within the Working Group over the purpose of the green paper resulted in the final green paper presenting the 'lowest common denominator' of agreement for public comment.²⁹³ Rather than decide between presenting 'process-type options' or 'use-type options', the final green paper presents both. The very superficial nature of the use-type options is a further indication of the 'lowest common denominator' approach.

Although public attention on the green paper was directed toward an effort to develop a 'plan' for Lancaster Sound, the Working Group also performed a secondary task; resource inventory. This task involved the compilation of the existing scientific data on the region in areas of physical, biological, and human resources.²⁹⁴ As there were fewer interests at stake in this part of the process, there was general cooperation and a high level of commitment within the Working Group in the performance of this task. The lack of leadership was not critical in this function and as a result much of the Working Group's efforts centered on developing a resource inventory rather than proposing a 'plan' for the region. Unlike an EIS, the resource inventory was not intended to be the basis for decision-making in the Sound but only to assist future decision-making.

The momentum for the green paper exercise was left almost entirely within the hands of the Working Group. However, the Working Group was unable to develop momentum because of the lack of commitment at the higher levels of the bureaucracy. The lack of prior consensus on the purpose of the exercise and the conflicts that emerged as a result also contributed to this lack of momentum for the green paper exercise. Finally, as there was no imminent industrial proposal for the Lancaster Sound region and consequently no external pressure to reach a consensus and resolve conflicts, the initial thrust of the exercise, which was a result of pressure from DOE on DIAND, was allowed to dissipate. The successes of the green paper exercise will probably be limited to the compilation of the scientific data on the region. In this area the Working Group was

²⁹²Private Communication.

²⁹³Private Communication.

²⁹⁴Some new scientific data also resulted from the green paper exercise.

effective.

At the operational level intergovernmental and intragovernmental relations played a secondary role in shaping the green paper exercise. The Working Group did not have the authority or mandate to make the trade-offs necessary for progress toward a plan because it was staffed by middle level civil servants. Unlike an EARP panel, the Working Group was also firmly entrenched in the federal bureaucracy. Any chance the green paper exercise had of producing a 'plan' for the Lancaster Sound region after the weak commitment from the higher levels of the bureaucracy was dashed by the institutional framework in which the Working Group had to operate.

D. Conclusion

The formal and informal relationships among the various governmental actors play an important part in shaping the federal government's environmental decision-making processes. These relationships are especially critical for the policy dimension of the processes. At the operational level the uncertain institutional framework impairs the coordination of governmental input into the Beaufort Sea review and contributed to the lack of direction for the green paper exercise. At a more fundamental level, both processes suffered from information uncertainty. Critical to both processes has been the lack of leadership from the policy process.

Despite the hierarchial nature of the principal governmental actor in the North, DIAND is unable to provide leadership in the policy process. In both the Senior Policy Committee and the Steering Committee for the green paper exercise, there was a definite lack of leadership. For the Steering Committee, this lack of leadership is, for the most part, the result of a low level of commitment by DIAND to the green paper exercise. This low level of commitment is consistent with DIAND's conflict avoidance strategy and reactive management approach. The Senior Policy Committee failed to provide leadership because of the uncertain institutional framework. Important and powerful governmental actors were not highly committed to the Senior Policy Committee because their interests are more effectively voiced in other forums. Compounding this general low level of commitment to the committee was DIAND's hierarchial structure. Because of the

department's structure, operational problems and issues were often directed to the Senior Policy Committee for resolution rather than through operational units such as the BSO. Thus, the committee became overloaded with relatively minor problems. Furthermore, the weak bureaucratic muscle of the EARP panel and the Working Group present severe limitations on these actors in their efforts to prod the policy process. The uncertain institutional framework and lack of effective leadership will probably result in the continuation of very slow, incremental policy-making for the North.

The lack of leadership at the political level and general lack of involvement of the political level in the environmental decision-making processes allow the uncertain institutional framework to dominate the policy dimension of the environmental decision-making processes and, consequently, the operational level. Environmental decision-making processes become the focus for bureaucratic politics which sap the government's response to industrial activity in the North. The lack of political involvement in the processes appears destined to continue until this same political leadership is able to move on some of the overarching political issues affecting the North.

At the operational level the uncertain institutional framework requires the environmental decision-making process to become the central coordinating forum for governmental actors. Without pressure for decisions, as in the green paper exercise, the pressure for governmental coordination dissipates. The process, then, becomes the victim of a 'lowest common denominator'. As the green paper exercise shows, the ability of the federal government to develop effective proactive decision-making processes is substantially constrained by the present institutional framework. As proactive decision-making processes typically deal with a larger number of options, an uncertain institutional framework is not conducive to a narrowing of the options that would lead to decisions. In a reactive decision-making process the range of options has usually already been narrowed. An uncertain institutional framework may not be as critical in such a decision-making process because of this prior narrowing of options. Therefore, DIAND's reactive management approach toward industrial activity in the North and its inability to develop an effective proactive process may be the department's most effective method of coping with the uncertain institutional framework. Under these circumstances it is unlikely effective proactive decision-making processes will be developed until the

institutional framework is stabilized.

V. NONGOVERNMENTAL ACTORS

Nongovernmental actors attempt to influence both the policy dimension and operational dimension of environmental decision-making processes. Nongovernmental actors can play a particularly significant role at the operational level of environmental decision-making processes primarily through the public participation component. The public participation component refers to the participation of the attentive public and interest groups, noting the distinction between these two can be tenuous; and industry.²⁹⁵ However, the inability of nongovernmental actors to have a more certain, unambiguous policy framework articulated for northern industrial activity limits the influence of nongovernmental actors on the processes. This limited influence is primarily caused by a lack of focus in the processes. Nevertheless, should the process be structured to allow industry to assume an agenda-setting function, the lack of focus can be partially overcome.

A. The Policy Dimension

Nongovernmental actors have had little success in having a clear, unambiguous policy framework articulated within which environmental decision-making processes operate. The lack of an interpretive policy framework remains despite consistent calls for a clear policy framework for northern industrial activity from nongovernmental actors; particularly interest groups and industry. As a result, the politicization of environmental decision-making processes increases as these processes become the forum for the debate of policy issues. However, at a more specific public policy level industry has had

²⁹⁵The distinction between these three categories is arbitrary and is made for the purposes of clarity and simplicity. In no way is it intended to reflect a theoretical or conceptual approach. In this study, interest groups refers to those groups not associated with industry. For this study, environmental groups and native associations are the most common groups of this category. The attentive public is a larger, more inclusive category that includes not only interest groups but also unorganized individuals that participate to some degree in these processes. Industry refers to those companies most directly affected by these environmental decision-making processes; Dome Petroleum Ltd., Esso Resources Canada Ltd., Gulf Canada Resources Inc., Petro Canada Ltd. and Norlands Petroleum Ltd. In referring to these companies as 'industry', it is not assumed the interests of these companies necessarily coincide.

some success influencing the government's policy toward specific environmental decision-making processes. In the Beaufort Sea review industry played an important role in influencing the commencement of the review. Furthermore, the geographical scope of the green paper exercise was set in response to industry's immediate interests in the region. Other nongovernmental actors have had less success in affecting the policy guidance for environmental decision-making processes.

The Beaufort Sea Review

Industry

Industry's submission to the Task Force on Beaufort Sea Developments asserted "There is an urgent need for a concise and clear policy statement on Northern development, particularly development in the Beaufort Sea region."²⁹⁶ Before various government committees, industry sponsored interventions have continually emphasized the need for a clearer policy framework for the North.²⁹⁷ The lack of a clear policy framework causes delay and uncertainty in northern industrial projects for industry. As a result, industry must develop plans for hydrocarbon development in the Beaufort region on the basis of an 'implied' policy framework, which is taken from the government's statements encouraging hydrocarbon exploration in the North.²⁹⁸

In order to reduce some of the uncertainty the lack of a clear policy framework presents, industry has proposed the federal government adopt an 'approval-in-principle' process under which projects would be approved subject to acceptable environmental and design considerations. Once approval-in-principle was received, the project would then be approved or rejected based on the specific design proposal. Presently, it is not unusual for the federal government to withhold an explicit public indication that a project is acceptable under any conditions until after the project has been scrutinized by the regulatory process, which often includes lengthy and expensive EARP and National Energy Board hearings.

²⁹⁶Task Force on Beaufort Sea Developments, *Report of the Task Force on Beaufort Sea Developments*, Appendix 3, p.3.

²⁹⁷For example, see; Government of Canada, Senate, *Proceedings of the Special Committee of the Senate on the Northern Pipeline: Offshore Transportation Study*, No. 17, February 16, 1982, p.15 and No. 28, June 9 1982, p.46.

²⁹⁸Energy Mines and Resources, *The National Energy Program*, pp.43-44.

Industry has not been able to develop government support for an approval-in-principle process for the same reasons an interpretive policy framework has not emerged from the policy process.²⁹⁹ Approval-in-principle is an explicit statement for government that the project is 'politically' acceptable, or consistent with national policy and the national interest. For northern industrial activity, the unresolved overarching political issues of the North and the uncertain institutional framework in which decisions occur, preempt an explicit approval-in-principle process. The policy context and the institutional framework in which the policy process must operate are such that the development of an explicit approval-in-principle process is subject to the same constraints that have slowed or subverted the development of an interpretive policy framework.

The failure of industry to have government articulate an explicit policy framework for northern industrial activity and/or an approval-in-principle process for major projects illustrates the depth of the policy inertia within the federal government in this area. In other areas affecting northern hydrocarbon activity, industry has enjoyed considerable success in influencing government policy in the North. For example, the ability of Dome Petroleum to receive favorable tax treatment from government for its drilling operations in the North is legendary.³⁰⁰ For the proposal in the Beaufort Sea, industry had direct access to the policy process through its submission to the Task Force on Beaufort Sea Developments. Other than industry, the task force only canvassed two other nongovernmental actors, both academics.³⁰¹ Thus, the failure of industry to have government articulate an interpretive policy framework or an approval-in-principle process for northern projects is not the result of an unsympathetic federal government nor poor access to the policy process.

Although unsuccessful in influencing the policy framework within which environmental decision-making processes operate, industry was able to influence the initial timing of the Beaufort Sea review. The absence of a policy on the timing of the

²⁹⁹It could also be argued that the need for a 'flexible' policy framework would be compromised by an approval-in-principle process because at a practical level it becomes increasingly difficult to reject a project after it has received an approval-in-principle and results in decreasing flexibility. DIAND employed an approval-in-principle process until the mid 1970's. See: Robert F. Keith, David W. Fischer, Colin E. De'Ath, Edward J. Farkas, George R. Francis, and Sally C. Lerner, *Northern Development and Technology Assessment Systems*, pp.47-48.

³⁰⁰See: Michael Bliss, "The Great Gamble", *Saturday Night*, 97:7(July 1982), pp. 13-21; and quote from investment analyst's report in *Northern Perspectives*, 8:2(1980), p.7.

³⁰¹Task Force on Beaufort Sea Developments, op. cit., p. 1.

application of EARP allowed industry to have a project that was still in the conceptual stage of development referred to FEARO.³⁰² The referral of the proposal at this point of development is contrary to previous EARP reviews which usually assess the final or near final design. Thus, industry was able to exercise influence over the government's approach to the environmental decision-making process in the Beaufort Sea region by having a concept reviewed instead of the final or near final design of an industrial development proposal.

The referral of the Beaufort Sea proposal to FEARO at the concept stage rather than when specific design proposals have been developed is partly a response by industry to the uncertain policy framework for Beaufort Sea oil development. Development of Beaufort Sea oil is plagued with uncertainty:

Long-term planning and investments are required for such mega developments. To do this effectively, industry needs to have clearly defined policy, planning and regulatory frameworks within which to work.³⁰³

The timing of the referral of this proposal was, to a significant degree, the result of pressure on government from Dome Petroleum Ltd. for a referral.³⁰⁴ The explicit purpose of this early referral was "an environmental and socio-economic approval-in-principle...."³⁰⁵

While couched in environmental and socio-economic terms, what industry really desires out of this review is a comprehensive approval-in-principle, in other words, a statement by government that subject to satisfactory design, the development of Beaufort Sea oil is in the national interest. An industry representative stated before a Senate committee: "We are hoping that what will come out of the overall process (the Beaufort Sea review) will be a government policy that development can proceed up there if the impacts are managed."³⁰⁶

³⁰²Timing is usually conceived of as an 'operational' issue. However, timing can be conceived of as a policy issue when examining the point at which a policy is brought to bear on a specific issue.

³⁰³Ibid., pp. 14-15.

³⁰⁴Private Communication.

³⁰⁵Dome Petroleum Ltd., Esso Resources Canada Ltd. and Gulf Canada Resources Inc., op. cit., preface.

³⁰⁶Government of Canada, Senate, op. cit., No. 17, Testimony of Gordon Haight, February

Thus, as a response to the uncertainty inherent to Beaufort Sea hydrocarbon developments, industry is attempting to use the environmental decision-making process as a policy-setting forum.

Despite the economic and political power of the petroleum industry, the uncertain policy framework governing northern hydrocarbon activity creates very real problems for industry. The rejection of the Mackenzie Valley pipeline after a tremendous commitment of resources by industry and the more recent difficulties encountered by Norlands Petroleums are the result, to some degree, of the lack of a clear, unambiguous policy framework for northern hydrocarbon activity.

At this point an overall difference in approach to environmental decision-making processes between industry and some federal government departments should be noted. For industry, the environmental decision-making process should be directed towards generating and resolving policy issues.³⁰⁷ Conversely, a number of federal departments, notably EMR and DIAND, prefer environmental decision-making processes, restrict themselves to 'technical reviews' and ignore the policy issues. The reluctance of these departments to have environmental decision-making processes concern themselves with policy issues is illustrated by their vague and ambiguous policy input into the Beaufort Sea review. This divergence of approach by two central actors in this environmental decision-making process increases the pressure on this process at the operational level and impairs the development of focus for the process.

Industry's success in influencing the timing aspect of the Beaufort Sea review did not parallel its efforts to have DIAND take a lead role in the review. In its submission to the Task Force on Beaufort Sea Developments, industry requested active participation on the part of DIAND in the review. This participation was requested in order that the policy and political issues affecting the Beaufort Sea review could be dealt with.

The Department of Indian Affairs and Northern Development should assume, vis a vis, the public and other federal departments, the full leadership and responsibility relative to the Beaufort Sea developments. This would mean that the Department will have a clearly visible leadership role in the EARP Public Hearings and will make a submission on the political issues and be prepared to review the issues at the public meetings.³⁰⁸

³⁰⁶(cont'd) 16, 1982, p. 17.

³⁰⁷Task Force on Beaufort Sea Developments, op. cit., Appendix IV, p.6.

³⁰⁸Ibid., Appendix IV, p.6; see also p.4.

However, despite this explicit request for highly visible participation on the part of DIAND, during the guideline hearings the department played a minor role with requests to departmental officials at the hearings being referred to Ottawa.

Interest Groups

Interest groups had even less success than industry in influencing the policy dimension of the Beaufort Sea review. Similar to industry, interest groups, notably CARC, have complained about the lack of an interpretive policy framework for northern industrial activity. In particular, concern is expressed over the lack of a conservation strategy and land use or regional planning policy for the North.³⁰⁹ Additionally, the major native groups in the North argue strongly that northern industrial activity should not proceed until land claims are settled.³¹⁰ In addition to the explanation for industry's failure to influence the policy framework interest groups' influence is weakened by an often unsympathetic federal government and less direct access to the policy process.

Concurrent with industry's pressure for a comprehensive environmental review for Beaufort Sea hydrocarbon activity was pressure from various interest groups. CARC in particular had been applying increasing pressure on the federal government for a review of Beaufort Sea hydrocarbon activity since 1979.³¹¹ The proposal to use harbors at Tuktoyaktuk and McKinley Bay had also increased concerns over the pace and scale of Beaufort Sea hydrocarbon activity. During the review of Dome's application concerning the dredging of McKinley Bay a number of advisory committees with local representation and government personnel recommended referral of "the proposal and associated activities related to Beaufort Sea hydrocarbon production to (FEARO) for formal public review and assessment."³¹² Although the dredging activity was not referred to FEARO, the

³⁰⁹Government of Canada, Senate, op. cit., No. 19, March 16, 1982, p. 17-19; Beaufort Research Sea Coalition, "Comments On: The Draft Guidelines for the Preparation of An Environmental Impact Statement for the Beaufort Sea Hydrocarbon Production Proposal", November 27, 1981, mimeo. p. 14.

³¹⁰See Chapter III, p. 61.

³¹¹Government of Canada, Senate, op. cit., No. 19, Testimony of Murray Coolican, March 16, 1982, p. 6; also Private Communication.

³¹²William E. Rees, Environmental Assessment and Review: The Case of McKinley Bay", *Northern Perspectives*, 8:2(1980), p. 6.

pressure and recommendations for referral undoubtedly had an influence on Dome's subsequent request for a full environmental assessment of hydrocarbon activity in the Beaufort Sea region and compliance by the federal government with this request.

The failure of pressure from local authorities and interest groups to have the McKinley Bay dredging proposal referred to FEARO, despite support for referral from some government authorities, illustrates the critical role industry had in the timing of the referral of the Beaufort Sea hydrocarbon production proposal to FEARO. It should also be noted that the refusal of the federal government to refer McKinley Bay dredging to FEARO allowed industry to proceed with a project it required immediately. Thus, with the exception of industry, nongovernmental actors appear to have limited influence over the timing aspect of the government's policy regarding EARP.

The one qualification to this influence over the policy dimension of the Beaufort Sea review was the provision of hearings on the guidelines for the EIS. Should public concern regarding a proposal be deemed sufficient by the initiator and FEARO, hearings can be held on the guidelines for the preparation of the EIS.³¹³ It was perceived by DIAND that widespread public concern did exist regarding the emerging activity in the Beaufort Sea region. Therefore in the letter of referral to FEARO, DIAND requested hearings on the guidelines.³¹⁴ Widespread public concern did result in an expansion of the public participation component in the Beaufort Sea review.

A number of interest groups in their submissions to the Beaufort Sea panel also attempted to have the panel address the issue of the overall decision-making process being applied in the Beaufort Sea region.³¹⁵ It was argued that without a clear perception of the objective of the Beaufort Sea review and how this objective related to the overall decision-making framework intended for Beaufort Sea hydrocarbon development, the process lacked an essential element in its review. As previously stated, the panel was unable to clear up this issue.³¹⁶ The panel stated what would not emerge from the review but did not state what would emerge from the review or how the the review would be

³¹³Federal Environmental Assessment Review Office, *Revised Guide to the Federal Environmental Assessment and Review Process*, p.6.

³¹⁴Letter John C. Munro, MIAND, to John Roberts, MOE, July 22, 1980.

³¹⁵Beaufort Sea Environmental Panel, *Draft Guideline Meetings*, (Transcripts), Calgary, November 27, 1981, Beaufort Sea Research Coalition, p.41; Yellowknife, November 25, 1981, Dene Nation and Metis Association, pp.87-97; Whitehorse, November 23, 1981, Yukon Conservation Society, pp.129-135.

³¹⁶Chapter III, p.73.

integrated with the other decision-making processes.³¹⁷ As a result, the Beaufort Sea review could suffer from a lack of focus because of the uncertain decision-making framework for the proposal.

Despite reasonably good access to the policy process through the Beaufort Sea panel on this point, and noting the panel's task of making recommendations concerning the decision-making framework to be applied in the region,³¹⁸ interest groups were unable to mobilize the policy process to clarify this issue. Such a clarification would put the Beaufort Sea review in an overall decision-making context for the Beaufort Sea region. Although the interest groups had access to the policy process through the Beaufort Sea panel, the bureaucratic weakness of FEARO and consequently the panel, limited the usefulness of the panel as a channel to the policy process for interest groups.

The Green Paper Exercise

In Chapter III it was argued there was a general lack of policy guidance to the green paper exercise and this was, in part, a result of the lack of immediate industry interest in the Lancaster Sound region. Compared to the Beaufort Sea review, industry has been generally much less involved in the green paper exercise. This lack of involvement resulted in only minor influence on the policy guidance for the green paper exercise. Interest groups, similar to the Beaufort Sea review, had little success in influencing the policy dimension of the green paper exercise. This lack of influence of nongovernmental actors on the policy dimension of the green paper exercise stemmed from the initial lack of clear policy guidance for the exercise and the decreasing interest of industry in the Lancaster Sound region.

Industry

Despite Norlands' strong interest in Lancaster Sound and its central role in events leading up to the commencement of the green paper exercise, the company soon became

³¹⁷Federal Environmental Assessment Review Office, *Beaufort Sea Hydrocarbon Production Proposal: Interim Report of the Environmental Assessment Panel*, pp.4-7.

³¹⁸"Terms of Reference", attached to a letter from John Roberts, MOE, to John Tener, June 14, 1981, p.3. This part of the terms of reference specifically refer to future public reviews the panel might deem necessary.

a relatively insignificant actor in both the policy and operational levels of the green paper exercise. Norlands' proposal to drill an exploratory well in Lancaster Sound was rejected by the EARP panel not only because of the lack of 'context' for an environmental assessment, but also because the EIS submitted by Norlands was deemed deficient by the panel.³¹⁹ Consequently, Norlands could not claim that its competence to operate in the Sound was beyond reproach and therefore it could not, on that basis, put pressure on the government for a relatively short, focussed comprehensive regional assessment. After the EARP report recommending against an exploratory well in Lancaster Sound, Norlands lost a substantial part of its leverage in the governmental decision-making process, and, as a consequence, its influence over the policy process guiding the green paper exercise.³²⁰

When first conceived, the green paper exercise was to include a much broader geographical area; the Northwest Passage transportation route.³²¹ However, because of Petro-Canada's special interest in Lancaster Sound through its drilling acreage in the eastern part of the Sound, the area of the green paper exercise was narrowed to better reflect the area of imminent industrial activity. In addition, the original six month timeframe was also the result of Petro Canada's intention to apply for a drilling permit and the impending decision that would be taken on the Arctic Pilot Project. Thus, initially Petro Canada's plans exercised considerable influence over the timing and geographical area of the green paper exercise.

In a direct attempt to influence the policy guidance for the green paper exercise, Petro Canada pressured the government for membership on the Steering Committee in order to insure a focussed, expeditious review. As part of this pressure Petro Canada initially made the release of data from the Eastern Arctic Marine Environmental Studies (EAMES) program contingent on its participation in the Steering Committee.³²² Petro Canada's immediate interest in the Sound diminished considerably shortly after the commencement of the exercise and as a result its drilling program was deferred.

³¹⁹Federal Environmental Assessment Review Office, *Report of the Environmental Assessment Panel: Lancaster Sound Drilling*, pp.75-77.

³²⁰Norlands' decreasing leverage in the governmental decision-making process up to and including the environmental assessment conducted by the EARP panel is discussed in; Maragaret Anne Davidson, "Policy and Decision-Making in the North: The Case of Lancaster Sound",

³²¹Private Communication.

³²²Private Communication. This data is referred to in; Lancaster Sound Regional Study, "Summary of Reports of Individual Meetings", Pond Inlet, 1981, p.8; Lancaster Sound Regional Study, "Newsletter", No. 2, 1981.

Consequently, the green paper exercise lost some momentum and Petro Canada's efforts to influence the policy guidance the green paper exercise was to receive were reduced.

Interest Groups - Attentive Public

Other than pressure on DIAND for some type of comprehensive regional planning process for Lancaster Sound, interest groups had very little effect on the policy guidance for the green paper exercise. A regional planning approach to northern industrial activity has been widely supported by CARC and the Inuit Tapirisat of Canada (ITC). While supporting the principle of the green paper exercise for Lancaster Sound, the ability of interest groups to influence the policy dimension of the exercise was constrained by the uncertain nature of the process. The overall uncertainty to the process meant that influence over the process was restricted to the operational level of the exercise.

Importantly, the level of public consultation in the green paper exercise may have implications for future policy in the Lancaster Sound region. As the green paper exercise evolved there was pressure for future consultation after the final green paper had been released in order for the public to respond to the proposals of the final green paper. The expansion of the already extensive public consultation for the green paper exercise was accepted by DIAND.³²³ Since 1978, with first the Lancaster Sound drilling proposal by Norlands, then the Arctic Pilot Project EARP hearings, and finally the green paper exercise, the residents of Lancaster Sound have experienced extensive consultation over the future of the region. As it is intended that DIAND's proposed land use planning process 'take over' from the green paper exercise, the experience of extensive public consultation may force DIAND to increase the level of public participation envisioned in the land use planning process.³²⁴ The extent of public participation in the proposed land use planning process is unclear.³²⁵ With the exception of the expansion of public consultation in the green paper exercise, the attentive public's influence over policy in the region may be mostly felt on future decision-making processes in the Sound.

³²³Lancaster Sound Regional Study, "Summary of Proceedings: Northern Workshop", Resolute Bay, May 6-8, 1981, p. 13.

³²⁴Private Communication.

³²⁵DPA Consulting Ltd., "Preliminary Planning for the Implementation of Comprehensive Land Use Planning in the Yukon and Northwest Territories", p. 16.

One of the factors mitigating against the influence of nongovernmental actors on the policy dimension of the green paper exercise was the general lack of policy guidance to the exercise. Because the Steering Committee assumed a reactive stance in the green paper exercise; especially concerning the efforts of the Working Group, there was no consistently active policy-making body for the green paper exercise. This lack of active policy guidance on the part of the Steering Committee resulted in poor access to the policy process for nongovernmental actors. The policy inertia of the federal government and the lack of interest and leverage of some important nongovernmental actors, particularly industry, in the green paper exercise caused the green paper exercise to lack focus and conclusiveness.

Summary

Industry is the major nongovernmental actor that has an impact on the policy dimension of the environmental decision-making processes examined in this study. As illustrated in the Beaufort Sea review, when industry has specific and immediate interest, it has the leverage necessary to mobilize government at the environmental decision-making level. Through the exercise of this leverage industry has been able to affect the substance of the review by presenting a concept proposal in the Beaufort Sea review. Furthermore, with the uncertainty over the decision-making framework to be applied, this proposal by industry could substantially affect the future policies applied in the region by setting the agenda for future decisions. Balanced against industry's ability to influence the commencement of environmental decision-making processes is the lack of industry influence over the timeframe for such processes. Industry's ability to control or influence the timing aspect of environmental decision-making processes diminishes as the process develops.

If the interest is less specific and less immediate, industry has less influence. Industry's efforts for a broader policy framework for Beaufort Sea activity and its subsequent failures indicates the inability of industry to mobilize the policy process at the broader level of the policy framework. Similarly, in the green paper exercise, the lack of a specific and immediate interest in Lancaster Sound and the general uncertainty over the

process was the cause of only a moderate effort on the part of industry to influence the policy dimension. Nonetheless, this moderate effort did not significantly shape the green paper exercise. The more certain the process and more specific and immediate the purpose of the process, the greater role industry can play at the policy level of environmental decision-making processes.

The role of interest groups in affecting the policy level of the environmental decision-making processes is not as important as industry's role. For the green paper exercise the pressure by CARC and ITC for a comprehensive regional planning exercise prior to industrial activity was important in DIAND initiating the green paper exercise but undoubtedly secondary to the pressure put on DIAND by DOE. The pressure for a review of activity in the Beaufort Sea from various interest groups such as CARC, the Canadian Nature Federation and the Yukon Conservation Society, which had been building since 1975, contributed to the eventual referral to FEARO. However, the exact timing of the referral was more the result of initiatives taken by Dome Petroleum Ltd. After the referral, interest groups had little success influencing the policy guidance of the Beaufort Sea review.

The attentive public played only an indirect role in the policy dimension of both reviews. This role was restricted to affecting the overall timeframe of the processes through pressure for the expansion of public consultation. The attentive public and interest groups, then, have been most successful in affecting the form of the review, through more extensive public consultation but not necessarily the substance of the review. This very limited, indirect role is partly the result of the very limited access of the general public to the policy level of environmental decision-making processes.

The limited influence of nongovernmental actors on the policy dimension of environmental decision-making processes increases the politicization of the processes. As policy issues raised by nongovernmental actors are not resolved by the policy process these issues are then often raised during the operation of the environmental decision-making processes. The failure of the policy process to respond to the policy issues raised by nongovernmental actors transfers the forum for debate of these policy issues into the environmental decision-making process. In the Beaufort Sea review, industry has apparently realized the inertia of the policy process and through the referral

of a concept proposal to FEARO, it is attempting to have a 'regional policy' set for the anticipated hydrocarbon development.

B. The Operational Dimension

The Beaufort Sea Review: Industry

In the Beaufort Sea review industry assumed even greater predominance among nongovernmental actors at the operational than it exercised at the policy level. Just as the initial timing of the review was largely the result of industry pressure on DIAND, the timing during the review is determined by the proponents' submission of the EIS. The proponents became solely responsible for the submission of the EIS when DIAND waived the normal government review of the document prior to its public release. This waiver appears to be the result of pressure from industry, EMR, and sections of DIAND for an expeditious review. Once the EIS is released a ninety day review period is provided to all public and government intervenors before the final hearings are commenced, unless the panel decides the EIS is deficient and requests more information from the proponents.

The proponents began preparing the EIS for the Beaufort Sea proposal in late 1980, one year prior to the guideline hearings.³²⁶ During the guideline hearings the proponents stated the EIS would be completed by July 1, 1982. However, the final volume of the seven volume EIS was not released until November 1982. The delay in the preparation of the EIS was caused by the proponent's approach in formulating the EIS and the differing company interests in the Beaufort Sea region. It should be noted that the preparation of the EIS was a joint effort by the three proponents; Dome, Gulf, and Esso. From the outset the proponents' approach to preparing the EIS was to prepare and submit a 'mega' EIS.³²⁷ The EIS would be an attempt to cover all of the issues the proponents anticipated would be discussed in the hearings. In deciding to prepare a very broad EIS, the proponents were attempting to receive the broadest clearance possible for their proposal from the Beaufort Sea panel. This objective was facilitated when the panel abdicated the responsibility of clearly stating the objective of its review. By not explicitly

³²⁶Private Communication.

³²⁷Private Communication.

stating the purpose of its review, the EIS, which attempts to cover all possible issues regarding the future hydrocarbon activity in the region, becomes the most important element in shaping the discussion in the hearings and consequently, the substance of the review.

In attempting to produce a 'mega' EIS, the proponents increased their own internal disagreement over the contents of the EIS. Dome took the lead role in preparing the EIS and its approach was to prepare a very broad EIS. Both Esso and Gulf, partly as a result of their experience in the ill-fated Arctic Gas consortium, took a more 'conservative' approach to the EIS.³²⁸ In addition, with Dome's deteriorating financial picture, Esso and Gulf began to realize they may become the lead companies in the Beaufort region and as a result the Beaufort Sea review. The initial difference in approach toward industrial proposals in the North among the proponents and Dome's increasing financial difficulties aggravated the differences in the preparation of the EIS.

The delay in the submission of the EIS was also the result of increasing friction between Dome and both Gulf and Esso on another front. Because of the geographical location of Dome's acreage in the Beaufort Sea, a tanker transportation system would permit the earliest development of Dome's reserves. Conversely, Esso and to a lesser extent Gulf both favor a pipeline transportation system. This basic disagreement increased as the EIS was being prepared and caused a delay in the submission of the document.³²⁹ It should be noted that the concurrent use of both transportation systems is highly unlikely because of the scale of development proposed and the anticipated size of the initial commercial reserves; although even the production rates proposed by the various companies differ significantly.³³⁰

The internal disagreements among the proponents may have implications for the final hearings of the Beaufort Sea review and for any future environmental regional

³²⁸Esso was represented in the Canadian Arctic Gas pipeline proposal by its parent, Imperial Oil. Canadian Arctic Gas Pipeline Ltd. was one of the proponents of the Mackenzie Valley pipeline in the mid-1970s. The decision against their proposal made a number of the member companies more 'conservative' in their approach to industrial development in the North. Canadian Arctic Gas and the Mackenzie Valley pipeline proposal is discussed in Francois Bregha, *Bob Blair's Pipeline: The Business and Politics of Northern Energy Development Projects*, (Toronto: James Lorimer, 1979).

³²⁹Letter John Roberts, MOE to Marc Lalonde, Minister Energy, Mines and Resources, June 11, 1982; Private Communication.

³³⁰Government of Canada, Senate, op. cit., Submission of Canadian Arctic Resources Committee, "Canadian Arctic Marine Energy Projects", No. 19A, March 16, 1982, p.25.

clearance. One of the proponents indicated that it would appear separately in the EARP hearings, should the company's interests be better presented in this manner.³³¹ Should the proponents' partnership dissolve during the review, the panel will be forced to aggregate a further increase in the streams of information for the review. Second, the experience of the proponents in their 'partnership' was such that it is unlikely that regional hydrocarbon *development* proposals would be approached through a partnership of the major companies. Future environmental decision-making processes reviewing regional hydrocarbon development proposals may be forced to deal with a number of environmental impact statements in a review.

The dominance of industry through its control of the EIS in the operation of the Beaufort Sea review is also indicated by the participation of the proponents in the guideline hearings. The EIS had been in preparation at least one year prior to the hearings on the guidelines for the preparation of the EIS conducted by the Beaufort Sea panel. Although the proponents were present at all the hearings and made a presentation at the meetings, the proponents did not raise any complaints with the EIS guidelines or request any substantive changes to the guidelines.³³²

Generally the proponents viewed the guideline hearings as 'wheel spinning' exercises.³³³ The relatively minor participation of the proponents in the discussion concerning the guidelines for the preparation of the EIS and the extensive effort in preparing the EIS prior to the guideline hearings suggests the proponents were formulating the EIS according to their own perceptions of what the Beaufort Sea review should accomplish and what information the review would require. The process and the panel, at this point in the review, were dominated by the proponents.

The over-riding concern of the proponents in the Beaufort Sea review is to have the review completed as expeditiously as possible. The sooner recommendations and decisions are reached the sooner corporate planning can proceed. For this reason, the proponents and a number of interest groups which favored a regional planning exercise were unable to reach an agreement over the correct environmental decision-making

³³¹Private Communication.

³³²In an evaluation of the impact of the funding program for the guideline hearings Graham et al. attribute two out of sixty-one changes to the guidelines from requests from the proponents. However, their accompanying list only indicates one minor change to the guidelines; see Graham et al., op. cit.

³³³Private Communication. This view was also held by a number of interest groups.

process that should be applied in the Beaufort Sea region. The Dene Nation attempted to have Dome and Esso request an *ad hoc* regional planning process prior to the EARP hearings. However both companies instead supported the initiative in land use planning that the government announced.³³⁴ In principle industry supports land use planning in the North.³³⁵ However the practice will be supported only if it contributes to expeditious decision-making.

Interest Groups

The single most important issue for interest groups in the Beaufort Sea review specifically and environmental decision-making processes generally, is the provision of funding for participation. Typically, funding for intervenors has only been given full recognition in *ad hoc* situations.³³⁶ EARP does not include a funding program for intervenors and in the past no such funding has been provided despite requests for funding to previous EARP panels.³³⁷ The issue of funding culminated in 1980 when CARC, COPE, ITC and the Yukon Conservation Society withdrew from future EARP reviews unless a funding program was established. During the period after the referral of the Beaufort Sea proposal to FEARO and before the guideline hearings, pressure was put on the government to provide funding for public intervenors in the review by a number of interest groups. Letters were sent from CARC to FEARO, the Beaufort Sea Community Advisory Committee to DIAND and from the ITC to DOE; all requesting funding.³³⁸ On August 8, 1981, three months prior to the first guideline hearings a funding program for public intervenors was announced by the Minister for Environment on a 'one time only' basis.³³⁹

The provision of funding for public participation involved three problems for the Beaufort Sea review; timing, the recipients and the amount. The late announcement of the funding program and the late allocation of funds to the recipients limited the impact of the recipients in the guideline hearings. The announcement of funding was made on August 8,

³³⁴Private Communication.

³³⁵DPA/DIAND *Beaufort Sea Regional Planning Overview*, (Draft), June 25, 1982.

³³⁶Raj Anand and Ian G. Scott, Q.C., "Financing Public Participation in Environmental Decision-Making", *Canadian Bar Review*, 60:1(March, 1982), p. 107.

³³⁷Federal Environmental Assessment Review Office, *op. cit.*, p. 80.

³³⁸Graham et. al., *op. cit.*, pp.9-11.

³³⁹Minister of Environment, "Release", August 8, 1981.

1981, with a deadline for applications of September 11, 1981 and the allocations to be made September 25, only slightly more than one month prior to the commencement of the guideline hearings. The compressed timeframe under which the funding was allotted resulted in many participants focussing their efforts on research for the final hearings and questions about the decision-making process being applied in the Beaufort Sea region.³⁴⁰ Comparatively little attention was paid to the technical aspects of the guidelines for the preparation of the EIS by the recipients. The time constraints handicapped the less experienced and less organized groups and native groups, who typically require more time because of 'consensus style' decision-making.³⁴¹ The Beaufort Sea Community Advisory Committee, an umbrella organization of communities in the Beaufort Sea region, did not participate in the guideline hearings because of the restricted timeframe. Because of the funding procedure very little work was undertaken by interest groups prior to the guideline hearings because of the funding procedure.

An essential element to the credibility of the environmental decision-making process is public participation. With the provision of funding, interest groups such as CARC, ITC and the Yukon Conservation Society participated in a process that they would normally not have participated in. However, because funding was provided, some groups such as COPE and the Canadian Wildlife Federation, who might have participated anyway did not do so when their final allocation of funds was drastically reduced from their original application.³⁴² Funding for public participation then, can be a double-edged sword. Additionally, the credibility of the Beaufort Sea review suffered as it was perceived northern based groups were under-funded. "The smaller communities received both a smaller proportion of allotted funds and a smaller percentage of amounts requested than the other categories of eligible groups...."³⁴³ Part of this problem was viewed by some northern residents as the necessary result of the funding program being controlled by a group of senior civil servants, predominantly from Ottawa. Somewhat surprisingly, the credibility of the Beaufort Sea review was not necessarily served by the provision of a funding program.

³⁴⁰Graham et al., op. cit., p. 55; Private Communication.

³⁴¹Graham et al., op. cit., p. 140.

³⁴²Ibid., p. 53.

³⁴³Ibid., p. 50.

Finally, the amount of funding provided in the funding program was uncertain and eventually led to the withdrawal of a number of interest groups. The funding program was based on the fiscal cycle of the federal government. Funding allotments were made to various groups 'per year'. In 1981 a total of \$325,000 was provided for the six months to March 1982. For 1982, \$292,500 was provided out of requests totalling \$1,169,272 for the full twelve months with the provision some additional funds could become available.³⁴⁴ As a result of the apparent reduction in the government's funding for the review, the Beaufort Sea Research Coalition withdrew from the process.

The process for allocating funds for public intervenors in the Beaufort Sea review raises a number of issues for environmental decision-making processes. First, it is noteworthy that the funding process was premised on the fiscal cycle of the federal government, not the scheduling of the various aspects of the Beaufort Sea review. Second, the uncertain level of funding to be provided for the total review indicates a low level of commitment by the federal government to public participation in the Beaufort Sea review. The level of commitment in this area is illustrated by the amount of support industry received in 1982 compared to the relatively insignificant amount provided for public participation. In a letter from John Roberts, MOE to Marc Lalonde, MEMR, it was pointed out that \$400 million had been spent to accelerate exploration in the Mackenzie Delta but only slightly more than \$600,000 was provided for public participation in the environmental decision-making process which was reviewing a proposal much larger than an exploration program.³⁴⁵

Third, the funds for this program did not come from DOE or FEARO but from the initiator, DIAND. DOE and FEARO have been unable to generate funds for public participation from the central agencies of the federal government. The bureaucratic weakness of DOE and FEARO within the federal government is illustrated by their inability to facilitate public participation through the provision of funding in the execution of their mandates.

The uncertainty of the funding process and the subsequent dissolution of the Beaufort Sea Research Coalition have hampered the 'technical' aspects of the Beaufort Sea review. The BSRC was a group of five interest groups which formed a coalition for the

³⁴⁴Private Communication.

³⁴⁵Letter John Roberts, MOE to Marc Lalonde, MEMR, June 11, 1982.

Beaufort Sea review; the Canadian Nature Federation, Energy Probe, CARC, Yukon Conservation Society, and the Arctic International Wildlife Range Society. This coalition was formed so that the resources of all the groups could be pooled under one umbrella organization and to eliminate duplication of effort. The pooling of resources also allowed the hiring of more qualified personnel and would permit the groups to work from the same information base.³⁴⁶ The coalition represents some of the most active and sophisticated interest groups concerned with the North. However, with the funding announcement for the fiscal year ending 1983, CARC and the Canadian Nature Federation withdrew from the coalition. The coalition's funding request for 1983 was \$303,250 and their final allotment was \$100,000, with the provision more funds may become available. For the previous six month period in 1982, the coalition received \$134,000. It should be noted that in their original submission for funds the coalition indicated to the government their funding requirements for 1983 as well as 1982.³⁴⁷

The remaining three groups continued in order to complete the research already undertaken by the coalition under the name of the Beaufort Sea Alliance. It is uncertain at this time how much of this research will be brought to bear on the Beaufort Sea review because the amount of participation in the review by the remaining groups is also uncertain. Nevertheless, some planned research had to be reconsidered in light of the actual funding received but more importantly little momentum for research programs was generated. The uncertain funding program resulted in a haphazard approach to research for the Beaufort Sea review which will probably diminish the technical analysis in the review and limit the substantive impact of interest groups on the review.

Public Participation

The attentive public and interest groups were provided a potentially significant opportunity to influence the Beaufort Sea review at the operational level. Extensive public consultation before the final hearings of the Beaufort Sea panel were held through an information seminar in November 1980 and hearings on the guidelines for the preparation of the EIS in November and December 1981. However three problems arose which limited the influence of the attentive public and interest groups at the operational level.

³⁴⁶Private Communication

³⁴⁷Private Communication.

First, the problem of structuring public participation into environmental decision-making processes at the most productive point was evident during some of the guideline hearings.³⁴⁸ At times, during community sessions and through interventions by local residents or representatives of local communities, the concerns raised were directed toward some of the broader issues raised by the proposal; not issues raised by the draft guidelines. Consequently, the guideline hearings occasionally became the forum for the discussion of issues that would be more appropriately addressed during the final guideline hearings. Additionally, the unresolved policy issues, specifically the role of the Beaufort Sea review in the overall decision-making framework often dominated the guideline hearings.³⁴⁹

Furthermore, public participation is facilitated when a general session is held early during the review period in which all major intervenors make a presentation. This approach sets the most complete agenda for the review at the outset and allows for the most complete and extensive discussion of the issues during the balance of the review. In the Beaufort Sea review the first general session on the guidelines was held November 20 at Inuvik, after five community sessions had already been held. Even at the general session at Inuvik, DIAND did not make a formal presentation nor did a number of interest groups who delayed their presentations until later in the review schedule, partly as a result of the late funding allotments.

The importance of an early identification of the issues increased when a panel composed of nongovernment personnel was appointed. As this panel had limited previous experience with the governmental process in the North and EARP, an early identification of the issues would assist the panel in focussing the balance of the public review process. It should also be remembered that the panel was appointed after the initial information seminar at Calgary in November 1980.

Second, in a number of interventions before the panel at the guideline hearings there were requests from northern based intervenors for more simplification in the

³⁴⁸For a discussion see; L. Graham Smith, "Mechanisms for Public Participation at a Normative Planning Level in Canada", *Canadian Public Policy*, 8:4(Autumn 1982), p.552.

³⁴⁹Beaufort Sea Environmental Assessment Panel, *Draft Guideline Meetings*, (Transcripts), Tuktoyaktuk, Nov. 18, Statements by Le Meur, Craig, pp.45-52; Tener, p.54; Stutter, pp.85-86; Inuvik, Nov. 19, Statements by Njooth, Lueck, pp.58-76; Whitehorse, Nov. 23, Statements by Charlies, pp.37-52; Porter pp.118-120; Armstrong, p.72. See also Graham et. al., op. cit., p.53-59.

guidelines. Conversely, a number of government interventions and interest groups requested more detail.³⁵⁰ The BSRC found both problems with the guidelines:

It is possible that, on the one hand broad issues will be lost in a sea of detail, but that, on the other hand, the detail will be insufficient for specific decisions and may prove to be irrelevant when preliminary plans are revised to project and site specific proposals.³⁵¹

The tension between 'simplification' and 'detail' in the review is partly a result of the relatively recent development of environmental impact assessment processes. The methodology for such processes is still evolving. For nongovernmental actors, the formative stage of environmental decision-making process development creates a tension between the provisions for effective participation by the attentive public and the more sophisticated interest groups.

The second purpose of the guideline hearings was to stimulate public interest in the Beaufort Sea review. During the guideline hearings a number of intervenors complained over the lack of prior information for effective participation; especially the communities of Old Crow, Fort McPherson, and Inuvik.³⁵² Mitigating against the maintenance of public interest in the Beaufort Sea review is the time period between the guideline hearings and the final hearings, which will probably be in excess of eighteen months. Unless the informal information seminars conducted by the panel's secretariat in the interim period are highly successful, the momentum for public interest in the Beaufort Sea review could dissipate.

Third and finally, the previously mentioned problems concerning the types of issues and the point at which they should be discussed in a public process, have been exacerbated by the general lack of policy guidance for the review. Whereas, the first two issues are, to some degree, endemic to environmental decision-making processes, the lack of clear policy guidance further diffuses the focus of the processes. As a result the

³⁵⁰Beaufort Sea Environmental Assessment Panel, op. cit., Tuktoyaktuk, Nov. 18, 1981, Statement by Le Meur, p.45; Inuvik, Nov 19, Statements by Hill, Ericson, pp.25-57; Nov. 20, Statement by Pluim, p.139; Whitehorse Nov 23, Statement by Mackay, p.63.

³⁵¹Beaufort Sea Research Coalition, op. cit., p.5.

³⁵²Ibid., Inuvik, Nov. 20, Statement by Simpson, pp.114-131; Calgary, Nov 27, Council for Yukon Indians, pp.105-114.

attentive public and interest groups have little ability to set or significantly influence the agenda for the process and are forced to react to an agenda and focus for the process that has been primarily developed by industry.

The Green Paper Exercise

There were two components to the operational level of the green paper exercise: the resource inventory component and the 'best use' component. The resource inventory part of the process involved the accumulation and aggregation of existing scientific data on the Sound. As the resource inventory part of the green paper exercise was comparatively clear in its purpose, nongovernmental actors had the least difficulty providing comments and criticisms for this part of the process. Unlike the EIS, the resource inventory part of the green paper exercise was not the central document or element in the process. Consequently the conflict of the process centered elsewhere. Because of the scientific nature of the resource inventory, interest groups and industry were the leading nongovernmental actors in this part of the process.³⁵³

Funding generally was not a problem for interventions in the green paper exercise for either the attentive public or public interest groups. The focus of the green paper exercise was not on narrow scientific analysis of environmental implications of certain activities or the resource inventory component but on the broader 'policy' oriented questions which typically do not require the in-depth research of EARP. The scientific data contained in the draft green paper was mainly a summary of existing data and was not used as the basis to argue for a particular plan or option for the region. Consequently, there were no large-scale research requirements placed on nongovernmental participants in the exercise. Nevertheless, the Baffin Region Inuit Association, (BRIA) did encounter some difficulty in receiving funding so that it could participate to the degree it desired.³⁵⁴

³⁵³Letter from: R.F.B. de Caen, Union Oil Company of Canada, December 4, 1980; J. Riddick, Polar Gas Project, Dec. 4, 1980; J.J. Staka, Shell Canada Resources Ltd., January 6, 1981; G.E. Cooper, Noranda Exploration, Jan. 13, 1981; B. Dixit, Arctic Pilot Project, Jan. 19, 1981; M. Amarook, ITC, June 5, 1981 to Dr. H.J. Dirschl, Project Manager, Lancaster Sound Regional Study, DIAND; and R. Pratt, Canadian Nature Federation, June 19, 1981 to Dr. Peter Jacobs, Chairman, Public Review Phase. Open file of submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

³⁵⁴"Statement by BRIA to Lancaster Sound Regional Study", read by R. Pumphrey, May 7, 1981, p.2. Open file of submissions to Lancaster Sound Regional Study, DIAND, Ottawa.

The Search for Focus

In attempting to develop a 'best use' for Lancaster Sound, interest groups (excluding industry sponsored interest groups) played the most significant role of nongovernmental actors. Although only partially successful, the efforts of these groups were directed toward providing focus for the exercise and clarifying the public consultation of the exercise.

Prior to the commencement of the green paper exercise a workshop was organized by Petro Canada and CARC to discuss the issues surrounding the development of Lancaster Sound. From this workshop emerged seven principles to guide decision-making in Lancaster Sound.

1. Maintenance of biological productivity and environmental quality
2. Integrated environmental management
3. Consideration of interrelationships between biological, technical and social concerns
4. Rights and responsibilities of northerners
5. Protection of special areas
6. Regional and long-term management
7. Accident prevention and mitigation of environmental damage.³⁵⁵

It was hoped by the organizers of this workshop that the prior establishment of these tentative principles would provide some focus for the green paper exercise and lead to a further development and elaboration of the principles for environmental decision-making in the Lancaster Sound region.³⁵⁶ However, the draft version of the green paper, which was released one year after this workshop virtually ignored the question of management principles.

At the end of March 1981 a workshop organized by CARC, ITC, BRIA and the four communities most directly affected by the green paper exercise was held at Frobisher Bay. This workshop was to discuss the draft green paper which had been released four months previously and discuss how the public review phase of the green paper exercise, which was scheduled for April and May 1981, should be approached. The workshop concluded with agreement by the participants that the seven principles for development of

³⁵⁵E.F. Roots, ed. *Lancaster Sound: Issues and Responsibilities*, (Ottawa: Canadian Arctic Resources Committee, 1980), Chapter 2.

³⁵⁶Private Communication.

the region developed at the 1979 conference should be adopted. An eighth principle relating to a land claims settlement before development was also proposed. These principles had already been widely discussed and a general consensus reached at the 1979 conference. Thus, this was a second attempt by members of the attentive public to have these principles placed on the agenda for discussion. It should be noted that both Petro Canada and Dome had also previously supported these seven principles.³⁵⁷

The pressure for discussion of these principles became evident when the Working Group suggested seven principles, which were similar although not as broad, in the background material for use at the southern workshop held at Ottawa, May 25-27, 1981. However, during the workshop a number of participants argued the original seven principles that had been proposed were more useful, at least as a starting point for discussion.³⁵⁸ Pressure for the inclusion of these principles for development appears to have been eventually successful as the final green paper lists these seven principles for discussion.

Despite the inclusion of the seven principles in the final green paper, the overall success of nongovernmental actors in this issue remains uncertain. The exact role these principles are to play in the decision-making on Lancaster Sound remains unclear. The final green paper does not state how the principles will be eventually used, if at all; or at what point the principles could be adopted by the government. The final green paper concluded at one point: "The suitability of these tentative principles to serve as a base for regional planning objectives for Lancaster Sound will have to be carefully examined." It then goes on to propose that these 'tentative' principles be used as performance criteria for assessing resource options.³⁵⁹ Despite efforts of close to three years by some interest groups and agreement by industry, the final green paper was not conclusive with respect to these seven principles.

One of the basic problems for the participation of nongovernmental actors at the operational level of the green paper exercise was the approach taken by the government

³⁵⁷D.J. Gamble, "Lancaster Sound Region: Workshop Overview", Carleton University, Ottawa, May 25-27, 1981, (Ottawa: Canadian Arctic Resources Committee, mimeo, 1981), p.3.

³⁵⁸Lancaster Sound Regional Study, "Summary Report-Work Groups C: Southern Workshop", p. 1; "Report of Work Group B: Southern Workshop", p.4; Open file of submissions Lancaster Sound Regional Study, DIAND, Ottawa.

³⁵⁹Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Green Paper*, pp.42-45.

in soliciting public participation in the exercise. As stated previously the draft green paper did not propose any firm options for the future of the Lancaster Sound region; rather it asked four questions. In not proposing firm options or detailed ideas, the draft green paper was placing the responsibility of developing detailed options and ideas on the participants.³⁶⁰ Originally, options were to be included in the draft green paper. However, uncertainty over what options should be included and how they should be stated forced the government participants to retreat from this position. The draft green paper was too general for useful public discussion.³⁶¹ Consequently, the draft green paper had limited effectiveness in focussing and stimulating public participation.

ITC in particular responded negatively to this exclusion. According to the ITC, DIAND had promised to suggest some development options which the green paper exercise would then develop and elaborate.³⁶² Apparently in response to the complaints concerning the lack of options in the draft green paper, the Working Group proposed four options for development to be discussed at the southern workshop, only three months after the release of the draft green paper. These options ranged from a complete deferral of all activity in the region for five years to active promotion of all viable developments. All four work groups at the southern workshop found it difficult to discuss these options because they either were 'unrealistic' or lacked detail. Instead, there was an effort to focus the exercise on an elaboration of the 'rules of the game'. In other words, what decision-making process should be employed in future decisions concerning the region.³⁶³ This was an effort to focus the green paper on 'process type' options rather than 'development type' options. The final green paper recognized the concern over the type of process that should be employed in future decision-making on the Sound and suggested two planning processes which might be considered.³⁶⁴

³⁶⁰Lancaster Sound Regional Study, *Public Meeting: Resolute Bay, NWT.*, (Transcripts), Vol. 2, (Toronto: Nethercut and Company, May 1981), p.148.

³⁶¹*Igalaaq*, 3:5(March 1981), p.1.

³⁶²*Ibid.*; ITC Newsletter, "ITC's Reaction to the Draft Green Paper", March 25, 1981.

³⁶³Lancaster Sound Regional Study, "Summary Report-Work Group A", p.3; "Report of Work Group B", p.2; "Summary Report-Work Group C", p.4; "Work Group D: Draft Options", p.1; Open file of submissions to Lancaster Sound Regional Study, DIAND, Ottawa.

³⁶⁴Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Green Paper*, p. 37.

Role of Industry

After providing part of the initial momentum for the green paper exercise, industry's involvement in the green paper exercise diminished. Industry's concern with the exercise was that it not produce decisions that could restrict future industrial activity in Lancaster Sound. A problem facing industry, as well as other participants in the process was the uncertainty over the types of decisions the exercise would lead to and what type of information was therefore required by the exercise. For example, Dome submitted papers on oil spill research and tanker development. Although relevant, neither paper related to the green paper exercise directly.³⁶⁵ Mining companies and associations stressed the environmental compatibility of mining proposals that might involve the region.³⁶⁶ In response to the draft green paper a number of submissions from industry maintained non-renewable resource development should not be excluded from the region. Generally industry-sponsored submissions to the green paper exercise stressed the need to take a 'national' rather than 'regional' perspective on the future of the Sound; which implicitly suggested non-renewable resource activity should not be restricted.³⁶⁷

Beyond maintaining some pressure for non-renewable resource activity in the region, the independent influence of industry is difficult to determine. The southern workshop held in Ottawa was the forum for most direct activity by industry. However, this workshop was divided into four work groups which contained representatives from most of the diverse interests in Lancaster Sound. In addition to a general lack of immediate interest in the region and a lack of focus to the exercise, industry's position in the process did not provide the necessary leverage for industry to have a significant impact on the exercise at the operational level.

³⁶⁵W.M. Pitsruzak, "Dome Petroleum's Oil Spill R&D Program for the Arctic"; B.M. Johansson and J.T. Stubbs, "The Development of an Environmentally Safe Arctic Tanker"; Open file of submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

³⁶⁶Mining Association of Canada, "A Submission to the Steering Committee on the Lancaster Sound Regional Study: Ottawa Workshop", May 25-27, 1981, p.4; Cominco Ltd., "Submission by Cominco Ltd. to the Lancaster Sound Regional Study Workshop", May 1981, p.3; Open file of submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

³⁶⁷Alberta Chamber of Resources, "Position Paper on Lancaster Sound Regional Study", May 22, 1981; Norlands Petroleum Ltd. and Magnorth Petroleum Ltd., "Submission to the Government Green Paper Committee on Lancaster Sound", Ottawa, May 25, 26, 27, 1981; Open file of submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

Public Consultation and Land Claims

The green paper exercise and the final green paper also dealt with two additional issues that nongovernmental actors raised which should be briefly mentioned. At the workshop organized by CARC, ITC and BRIA in March 1981 after the release of the draft green paper, concern was expressed over the future public consultation in the process. These groups were worried that after the preparation and release of the final green paper there would be no further public consultation on the proposals that were anticipated in the final green paper. Originally this concern appears justified. Shortly after the release of the draft green paper the Chairman of the Steering Committee, Maurice Ruel stated there was no plan for future public consultation after the final green paper.³⁶⁸ However during the northern public review phase of the exercise R. Hornal of DIAND committed the department to a further round of public consultation after the final green paper was released.

The issue of land claims and the future of Lancaster Sound was raised by native groups during the exercise. Consistent with their general position native groups wanted the green paper to recognize 'no development before a settlement of land claims' as an option in the green paper.³⁶⁹ The issue of land claims was particularly troublesome for a number of participants. One work group at the southern workshop in Ottawa reported: "The lack of a land claims settlement and political development decisions are frustrating all aspects of the present planning process for the Lancaster Sound region."³⁷⁰ While often recognizing the importance of the issue, many participants were unable to place the issue in a context with the green paper exercise. Nevertheless, the final green paper recognized land claims could play an important role in the future decision-making and decision-making processes in the region and recommended such processes be modified as necessary when a land claims settlement is reached. Thus, some nongovernmental actors experienced some modest success in having the land claims issue recognized in the final green paper.

³⁶⁸ *Iga/aaq*, 3:5(March 1981), p.1.

³⁶⁹ Inuit Tapirisat of Canada, "News Release", April 2, 1981.

³⁷⁰ Lancaster Sound Regional Study, "Summary Report-Work Groups A: Southern Workshop", p.2; Open file of Submissions to the Lancaster Sound Regional Study, DIAND, Ottawa.

Summary

The overall success of nongovernmental actors in influencing the green paper exercise was limited. The final green paper responded to many of the issues raised by nongovernmental actors through its discussion of development options, decision-making structures, land claims, the seven principles for development and acceptance of further public consultation. However, this response occurred at a late stage of the process. The agenda for the green paper exercise was not set until the exercise was nearing completion. The process lacked the necessary focus for effective participation by nongovernmental actors at the operational level because of the late setting of the agenda. The late agenda-setting and lack of focus to the green paper exercise was a result of the overall uncertainty concerning the exercise at the outset.

The uncertainty inherent in the green paper exercise at its outset appears destined to continue to affect the green paper exercise. Despite the eventual success nongovernmental actors achieved in influencing the final green paper, a major problem with the exercise remains. The lack of conclusiveness to the green paper exercise suggests the actual influence nongovernmental actors play in the overall decision-making on Lancaster Sound is, at best, uncertain at this point in time. As stated previously, DIAND is planning on having its land use planning process proposal take over from the green paper exercise.³⁷¹ This could have two implications for the green paper exercise. First, the green paper exercise and the influence of nongovernmental actors in the exercise will only affect decision-making on Lancaster Sound to the extent DIAND incorporates into the land use planning process the information and consensus gained from the green paper exercise; particularly in the areas of the seven principles alluded to and the planning processes proposed. Second, it should be noted that as of July 1, 1982, DIAND had let out three contracts for preliminary land use planning in the North. However, the Lancaster Sound region was not included.³⁷² As decision-making on Lancaster Sound appears to have been pushed further into the future the overall influence of the green paper exercise and the nongovernmental participants may be reduced with the slippage of time.

³⁷¹Private Communciation.

³⁷²Private Communication.

C. Conclusion

The role of nongovernmental actors in the environmental decision-making processes under examination in this study is strongly affected by an apparent uncertainty on the part of the federal government over the purpose and proper process for proactive environmental decision-making. This uncertainty initially stems from the lack of a clear unambiguous policy framework for northern industrial activity. This broad policy uncertainty manifests itself at the operational level of these environmental decision-making processes through the lack of a clear sense of direction and focus to the processes.

The uncertainty inherent to these processes can be partially overcome when industry has an immediate and direct interest. Industry, generally, has been unsuccessful in having a clear policy framework for industrial activity articulated. However, in the Beaufort Sea review it did affect the timing of the commencement of the review. Although limited, this influence is significant for environmental decision-making processes because it affected the substance of the debate in the process. Rather than reviewing a specific project, the Beaufort Sea review is examining a concept or plan.

The role of industry in the green paper exercise contrasts sharply with its role in the Beaufort Sea review. The green paper exercise was largely an 'in house' operation. It was dominated by the federal civil service. Although Petro Canada was unsuccessful in placing nongovernmental personnel on the Steering Committee, the company's interest in the Sound narrowed the geographic scope of the exercise. Thus, it would appear that when industry has a direct and immediate interest the policy process is responsive to the extent that industry can have significant influence over the substance of an environmental decision-making process.

Interest groups and the attentive public have had little impact on the policy dimension of either process. Their input was restricted to having the public consultation component of both processes expanded. However, these expansions did not necessarily result in increasing influence over the substance of the debate in the processes. The uncertain funding procedure in the Beaufort Sea review severely limited the impact of interest groups and the attentive public. The late agenda-setting in the green paper exercise also undermined the influence of the attentive public and interest groups.

Although a significant component of public participation was structured into both processes, other structural aspects of the processes such as agenda-setting or the funding/timing issues worked against effective public participation. The expansion of the public consultation component had more impact on the form of the debate in these processes than on the substance of the debate.

The final issue raised by the federal government's uncertainty over these processes is the linkage to future policy-making. In the Beaufort Sea review industry has clearly stated its goal of receiving policy clearance for hydrocarbon development in the region. Industry's predominant position in this process suggests industry could have a significant impact on future policy in the region. In the green paper exercise, the linkage of this process to future policy-making is unclear. Although interest groups and the attentive public met with some success in having the final green paper address the issues raised, the uncertainty over the future use of the green paper makes the linkage to future policy-making in the region unclear. Should this uncertainty be clarified and the final green paper end up playing an important role in future policy-making for the region, interest groups and the attentive public could have had a substantive impact on the future of the region.

The uncertain institutional framework and the resulting inertia of the policy process undermine the effectiveness of nongovernmental actors in exercising substantive influence on proactive decision-making processes. Even when some consensus develops, as in the green paper exercise, the federal government appears unable or unwilling to provide a mechanism to build on this consensus which would lead to clear policy and specific decisions. Clear policy and specific decisions will only emerge in response to a particular proposal which will result in a continuing dominance by industry of environmental decision-making processes.

VI. CONCLUSION

In Chapter I it was argued that environmental decision-making processes in the past have suffered from two major problems; the lack of a clear policy framework and the lack of a regional planning context. In addition, a number of secondary problems were identified such as assessment capability, timing and public participation. To some degree all of these problems have arisen in this examination of the green paper exercise and the Beaufort Sea review. The major theme apparent in this study and at the heart of the recurrence of these problems being *uncertainty*.

A. Secondary Problems

Uncertainty has been the basic cause of problems identified regarding the assessment capability, public participation and timing of these processes. Most important has been the uncertainty which has affected the technical capability of both processes. This uncertainty can be reduced to one concept; information uncertainty. In the green paper exercise, uncertainty over the *process* has made it difficult for the participants, whether they be governmental or nongovernmental actors, to have a clear perception of the type of information required for the process. Similarly, in the Beaufort Sea review, information uncertainty would appear to have arisen out of the very general, conceptual nature of the *proposal*. This uncertainty, too, has led to uncertainty over the process. For the participants, especially the governmental participants, this uncertainty has limited the ability of these actors to provide the information requested by the Beaufort Sea panel.

The general uncertainty concerning environmental decision-making processes prompted industry to request an EARP review very early in the development of its hydrocarbon production proposal for the Beaufort Sea region. Beyond this issue of timing, both processes will have taken over three years to complete. Although such an extensive timeframe can contribute to 'good' environmental decision-making, it is no guarantee. Against this consideration are the tremendous costs involved in committing personnel and resources to these processes for this time period.

Finally, uncertainty has been reflected in the government's approach to public participation in the Beaufort Sea review. The haphazard nature of the funding program created uncertainty for a number of important participants concerning their level of participation and may have important consequences for the technical assessment capability of the Beaufort Sea review.

B. The Policy Framework

The basic cause of the uncertainty inherent to environmental decision-making processes in the North is the vague, uncertain and ambiguous framework of public policies being applied in the North. At the general level, the framework of public policies is very general. Whereas the generality of this level of public policy is not a problem in itself, it has not been supplemented by clear, specific sectoral policies. For example, the northern hydrocarbon development policy is premised on 'keeping the options open'. This provides little guidance to industry and environmental decision-making processes which are forced to respond to industry's plans. The lack of a clear policy framework has increased the politicization of what are already value-laden decision-making processes and put pressure on these processes (when decisions and recommendations must be made) to adopt a policy-setting function.

This is not an atypical result when an uncertain policy framework exists. "The increased generality and frequent inconsistency of public policies has transferred much of the agenda of specific policy-making to the administrative arena."³⁷³ However, neither decision-making process under study here has the mandate or the bureaucratic muscle to impose policy decisions or recommendations on the other central policy actors. This is especially pertinent to EARP panels. The weakness of EARP in this regard is evidenced by the origin of the green paper exercise. The green paper exercise was, ostensibly, a response to an EARP panel's recommendation. However, without strong pressure from DOE on DIAND this exercise probably would not have occurred. The combination of a highly politicized operating environment and weak mandate increases the overall uncertainty in the process in terms of the issues to be addressed and most specifically, the

³⁷³Peter Self, *Administrative Theories and Politics*, 2nd ed., (London: George Allen & Sons, 1977), p.3.

final product of the process.

The Policy Process

Not only does the uncertain policy framework create uncertainty for environmental decision-making processes, but environmental decision-making processes appear destined to continue to operate within this uncertain policy framework because of the inertia of the policy process. This inertia stems from the unresolved, overarching political issues such as land claims, political devolution and revenue sharing. These unresolved, overarching political issues force environmental decision-making processes and the policy process to operate in an unstable and uncertain institutional environment. The inertia of the policy process is created when the policy process attempts to reconcile the increasing industrial activity in the north and the scale of this activity with the unstable and uncertain institutional environment.

Compounding this basic problem with the policy process and partly as a result of it, is the highly centralized nature of the central policy actor, DIAND. DIAND's inability to lead and coordinate the policy process and the increasing demands being placed on the policy process have placed DIAND under siege. Even the centralization of the department has failed to facilitate the timely development of a land use planning policy. Within DIAND itself the many diverse interests and ideas slow or subvert the ability of the department to develop policy independently. According to one official of the GNWT: "What's happening is that we (government departments) are all so committed to deciding who's going to be boss in this thing that no one's doing the groundwork...."³⁷⁴ Thus, the policy process is highly competitive and increasingly so, as the pressure on the policy process mounts. The inertia of the policy process is generally not caused by structural deficiencies in the policy process. Generally, the policy process has the committees and processes available to develop policy.³⁷⁵ In other words, structural changes to the policy process without movement on, or resolution of, the overarching political issues may change the forum for debate and conflict but will not necessarily lead to the resolution of this debate and

³⁷⁴Dan Billing, "Regional Perspective on Production Impact: NWT", *Proceedings of the Ninth Environmental Workshop on Offshore Hydrocarbon Development*, p.286.

³⁷⁵The one exception may be the isolation of the political leadership in the policy process.

conflict

C. The Need to be Reactive

The failure to provide a regional context for environmental impact assessment processes, which is illustrated by the probable failure of the green paper exercise, is caused by the inability of the federal government to develop an effective policy process and policy framework. The policy process is incapable of setting the agenda for environmental decision-making processes. By default, then, the federal government's approach to environmental decision-making processes becomes reactive. Although both the Beaufort Sea review and the green paper exercise contained a proactive dimension, the Beaufort Sea review remains reactive to the extent it is dependent on industry's plans for impetus. The green paper exercise appears to have failed because of its lack of conclusiveness. The uncertainty created by the policy framework and the inertia of the policy process can be partly overcome if the federal government 'reacts' to a proposal for industrial activity. Decisions about such activity are then shifted out of the policy process and into other decision-making forums, such as environmental decision-making forums. The narrow mandates and weak bureaucratic muscle of these processes limits their impact on the policy issues of such activity and, therefore, they do not threaten the central policy actors in the policy process. It is not that there is no commitment to the 'principle' of proactive decision-making processes, but the present policy process is incapable of providing an effective conclusive proactive decision-making process by being unable to provide the necessary policy guidance and impetus for such processes.

The reactive approach to environmental decision-making processes has a significant advantage for the federal government. This approach can narrow the debate and initially provide focus for the processes thereby avoiding, to some degree, the problems of developing an explicit policy framework in an unstable institutional environment. By maintaining a reactive approach the federal government can avoid dealing with the politically charged issue of the future institutional relationship between the North and southern Canada, yet maintain some industrial activity in the North.

However, such an approach creates uncertainty for industry, which, with the increasing scale of its activity in the North is requiring more and more certainty before making the necessary commitment of resources. Consequently, as illustrated in the Beaufort Sea review, industry is attempting to have environmental decision-making processes applied at a very early stage in the development of a proposal. With the policy-setting function performed by environmental decision-making processes, and almost explicitly admitted by EMR,³⁷⁶ it would appear the environmental decision-making process is being used to overcome the failure of the policy process by industry and the federal government. The agenda-setting role enjoyed by industry and the reactive approach by the federal government, have allowed industry to assume a potentially preeminent role in environmental decision-making and the setting of policy for industrial activity in the North.

This is not to argue the environmental decision-making processes are a puppet of industry; only that a proposal for industrial activity appears to be a necessary component to a conclusive environmental decision-making process.

D. The Case Studies: Looking Ahead

In order to place the two environmental decision-making processes under examination in proper perspective, a final comment should be offered on their progress and potential impact. The significance of both processes to industrial activity in the immediate future in both regions has probably decreased. It has already been argued that the green paper exercise, through its lack of conclusiveness, probably will not have an important impact on the future of Lancaster Sound. The land use planning policy is scheduled to 'take over' from the green paper exercise. Not only is it uncertain how this process will work because of a number of unanswered questions in the proposal but also it remains uncertain when it is to be applied in the Lancaster Sound region. Furthermore, as the Arctic Pilot Project has encountered opposition from the regulatory process and Petro Canada has yet to apply to drill in the region, large-scale industrial activity in the region does not appear imminent.

³⁷⁶See Chapter III, p.68.

In the Beaufort Sea region, the large-scale offshore hydrocarbon development envisioned by Dome Petroleum Ltd. may have also been pushed further into the future. The company's present financial crisis, the leap in technology required in such a development and the absence, to date, of a commercial discovery are all factors mitigating against the large-scale development originally proposed. Critical to the development of Esso and Gulf's reserves in the region is the prior construction of an oil pipeline from Norman Wells to Alberta which could then be connected to the reserves in the Beaufort region. This pipeline has yet to be completed. In addition, the focus of the federal government's quest for new oil supplies appears to have shifted to the offshore east coast area. Large-scale hydrocarbon development in the Beaufort Sea region may not now be a priority of the federal government.

As large-scale industrial activity in both regions appears less imminent, the significance of both of these environmental decision-making processes is probably decreasing. The decreasing significance of the Beaufort Sea review and the green paper exercise suggests their overall impact on industrial activity in the North will be limited. The lack of large-scale industrial activity and the policy inertia of the federal government will probably preempt movement on the policy issues raised by these two processes.

Until the overarching political issues are either resolved or significant movement toward their resolution is achieved, there will be a continuing reactive, disjointed approach toward environmental decision-making processes being applied in the North. Furthermore, despite the increased emphasis on a 'regional' approach, the flaws of the present policy framework are such that the regional approach only serves to magnify the issues raised in environmental decision-making processes. The regional approach, in itself, cannot lead to the integration and resolution of the issues raised by industrial activity in the North. The resolution of the overarching political issues is a necessary prerequisite for a stable political base and effective policy process that will lead to the development of holistic, proactive decision-making processes for the North.

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VIII. APPENDIX I

Research Methodology

The research for this thesis was conducted from April to October, 1982. Between April and July a review of the literature on environmental decision-making processes, public inquiries and political processes in the North was undertaken. Beginning in July 1982 interviews were conducted with 34 government and industry representatives and special interest groups. The interviews ranged in length from 45 minutes to two hours with the questions varying depending on the involvement of the respondent. There was no standard questionnaire. Although many interviews were initially 'on the record', typically questions and answers required they become 'off the record'. It is for this reason that the names of specific sources is not provided. Such anonymity both protects the respondents and, hopefully, leaves the door open for future research. However, in order to give a general indication of the sources for much of the information used in this thesis a list of respondents is provided. In addition to the people listed here, three other interviews were conducted with people who must remain anonymous.

Government

FEARO

Robert Connelly
William Couch
Patrick Duffy
David Marshall
Phil Paradine
Paul Scott
Paul Wolf

DIAND

Bryan Bennion
Don Bissett
Allan Jones
Bruce Waddell

DOE

C.A. Lewis
Gerry Fitzsimmons

GNWT

John Donihee
David Gilday
Lorne Matthews
Al Zarwiny
Mike Moore

Industry

Dome

Ewan Cotterill
Rick Hoos

Gulf

Ray Glasrud
Robert Morrison

Esso

Gerry Rempel
Gerry Kruk
Pat Shaw
Jenny Mildren

Petro Canada
Gerry Glazier

Others
John Bayly, Dene Nation
Terry Fenge, CARC
Milton Freeman, ex DIAND
Don Gamble, ex CARC

IX. APPENDIX II

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Douglas Craig
Allen Lueck
Dr. Ross MacKay
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Fred Carmichael, resigned
Lucasi Ivalu, resigned
Titus Allooloo, appointed Dec. 1982
Knute Hansen, appointed Aug. 1982

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Director, Environmental Protection
Director, Major Projects Assessment
Director, Non-renewable Resources
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DOE

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Chief, Parks Systems Planning

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Chief, Marine Habitat

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³⁷⁷Lancaster Sound Regional Study, *The Lancaster Sound Region: 1980-2000, Green Paper*, p.94.